Development and Implementation Issues for Managing Sales Performance

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Doctor of Professional Studies

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GLOSSARY

Term	Definition
AUDI	AUDI is a German car manufacture produces premium cars as subsidiary of Volkswagen AG group.
Automaster	Automaster Ltd is the established company of the Cyprus Import Corporation group of companies which owned the Cyprus franchise for the Fiat, Alfa Romeo and Lancia and Jeep vehicles.
BMP	Business Performance Measurement
BMW	BMW produces premium cars and motorbikes under three premium brands: BMW, MINI and Rolls Royce.
BSC	Balanced Score Card
Citrix Server	It is a server solution for delivering Windows application to user. User can access and use specific programs in a virtual environment. For example multiple users can access and use a single Microsoft Access database with updating data records in real time (Webopedia, 2011).
Daimler A.G	Daimler AG is one of the biggest producers of premium cars and the world's biggest manufacturer of commercial vehicles with selling products in global reach. It produces Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler Group (Daimler A.G., 2011)
Demades Bros Ltd	Demades Bros Ltd owned the Cyprus franchise for the Fiat, Alfa Romeo and Lancia vehicles.
Dprof	Doctorate in Professional Studies
Fiat	Fabbrica Italiana Automobili Torino, FIAT produces cars under the following brands: FIAT, Lancia and JEEP and others.
IMS	Information Management System
ISO	The International Standards Organisation. It is the specialised international agency for standards' making with a membership of over 90 countries.
Marketing Spend Effectiveness	Marketing Spend Effectiveness is a term used within the Daimler Corporation to indicate the effectiveness of the marketing measure in relation to the cost incurred to carry out this measure. The Marketing Spend Effectiveness gives us an idea on which marketing measure is the most effective in attracting the customers to the products / the dealership.
MSDP	Measurement System Development Process
NVivo	Qualitative data analysis software
PMMI	PMMI is a trade association with more than 500 member companies that manufacture packaging and packaging-related converting machinery, commercially-available packaging machinery components, containers and materials in the United States and Canada (PMMI, 2006)
Principals	This refers to Daimler A.G.
Quality Management System	It regulates the structure of the organisation, the responsibilities, procedures, processes and resources necessary for the implementation of the quality policy and the achievement of quality objectives. This term is abbreviated as QMS.
Registration	The formality in acknowledgement by a certification body accredited by a recognised national authority that an organisation

Term	Definition
	has been assessed and shown to comply with ISO 9000 at the time of assessment.
S.B.I.	Integrated framework for measuring and managing sales performance. S.B.I. for the abbreviation of the words SWOT Analysis, Balanced Score Card and ISO.
SME	Small Medium Enterprise
SPSS	Statistical Package for the Social Sciences
SSM	Soft Systems Methodology
Thomas Poutas	Thomas Poutas International is a dynamic and innovative Business Consultancy, specializes since 1999 in Change and Performance Management, Personnel Trainings and Assessments for industrial and service companies as well as public institutions at home and abroad.
VOS	Information System for Vehicle Sales.

ABSTRACT

The research project concentrates on the issues which a host organisation faces, in developing and implementing an efficient and cost-effective conceptual framework for measuring and managing sales performance in the automotive retail sector.

Sales performance is a critical and main issue for an organisation in order to achieve its strategic objectives, by translating the results into action and monitoring the process. Due to the global financial crisis, organisations experience an economic downturn. This makes the use of a standard framework which can support their derived action plans of vital importance. This framework would aim to offer a holistic view of the sales performance with accurate results.

A review of the literature provided extensive information and analysis of the different models and frameworks that could be identified and used in performance measurement literature. In addition, it provided an evaluation of the existing documentary and practices of the host organisation regarding performance measurement. As, a result, the needs for the development of an improved framework were identified. The proposed methodology was based on the integration of three frameworks, namely the SWOT Analysis, Balanced Score Card and Internal procedures as part of a performance management system. The research indicated that it is essential to synthesise and extend the existing models and frameworks with the aim to produce the most suitable conceptual framework based on the size, kind, and available resources of the organisation.

Through qualitative and quantitative analysis, this project provides evidence, which indicates the successful application of measuring and managing sales performance techniques through the use of reports, training communication capabilities and presentation skills. It creates a new political and organisational challenge for the staff of the organisation, which in its turn had to learn to interact fast and effectively in order to achieve their targets. It considers the external and internal influences impacting on a sales organisation and how the management team and staff can offer an actively sought process to monitor business performance on an on-going basis and to generate recommendations for changes.

The research indicates that the proposed framework connects the measurement results with the derived action plans following a continuing improvement approach. The project has not only a theoretical approach but it also focuses on the implementation process. The proposed framework was developed in the host organisation with a step by step methodology establishing a reporting analysis tool. It concludes by the

realisation that specific processes are required to implement the sales performance reporting analysis tool.

CHAPTER 1: INTRODUCTION

1.1 Chapter summary

This chapter aims to illustrate the main themes and issues involved in this research study. In addition it analyses why the project is appropriate for a researcher to carry out providing a rationale for the combination of modules and Recognitions and Accreditation of Learning (RAL) claims in the programme and how they support the coherence and viability of this proposed program. Additionally, it presents the environmental context of this research project and the researcher's position in it. Furthermore, it highlights the main limitations and assumptions of the research.

1.2 Project Award

My target award is a Doctoratete in Professional Studies in "Development and Implementation Issues for Managing Sales Performance".

Sales Performance is the basic term this project focuses on and proposes to outline a general focus on performance with particular reference to the automotive retail sector.

The project report provides a dynamic, systematic conceptual framework on management and measurement of sales performance from the view of the business user for the Mercedes- Benz Cyprus. It provides practical and useful information with real business examples and arguments for measuring and managing sales performance. Furthermore, it serves as a standard and quick reference for business users, in monitoring and evaluating tools and methodologies that are crucial to measuring and managing sales performance.

This programme is used as an opportunity for my continuous learning and development in the area of sales performance. My favourite motto from the Greek Athenian statesman, lawgiver and poet Solon, has been the motivation for my continuous learning and development, "I grow in learning as I grow in years" (Plutarch & Langhorne, 1857). As Kolb (1984) has documented, "we seek to grow and develop because we must do so to survive – as individuals and as a world community".

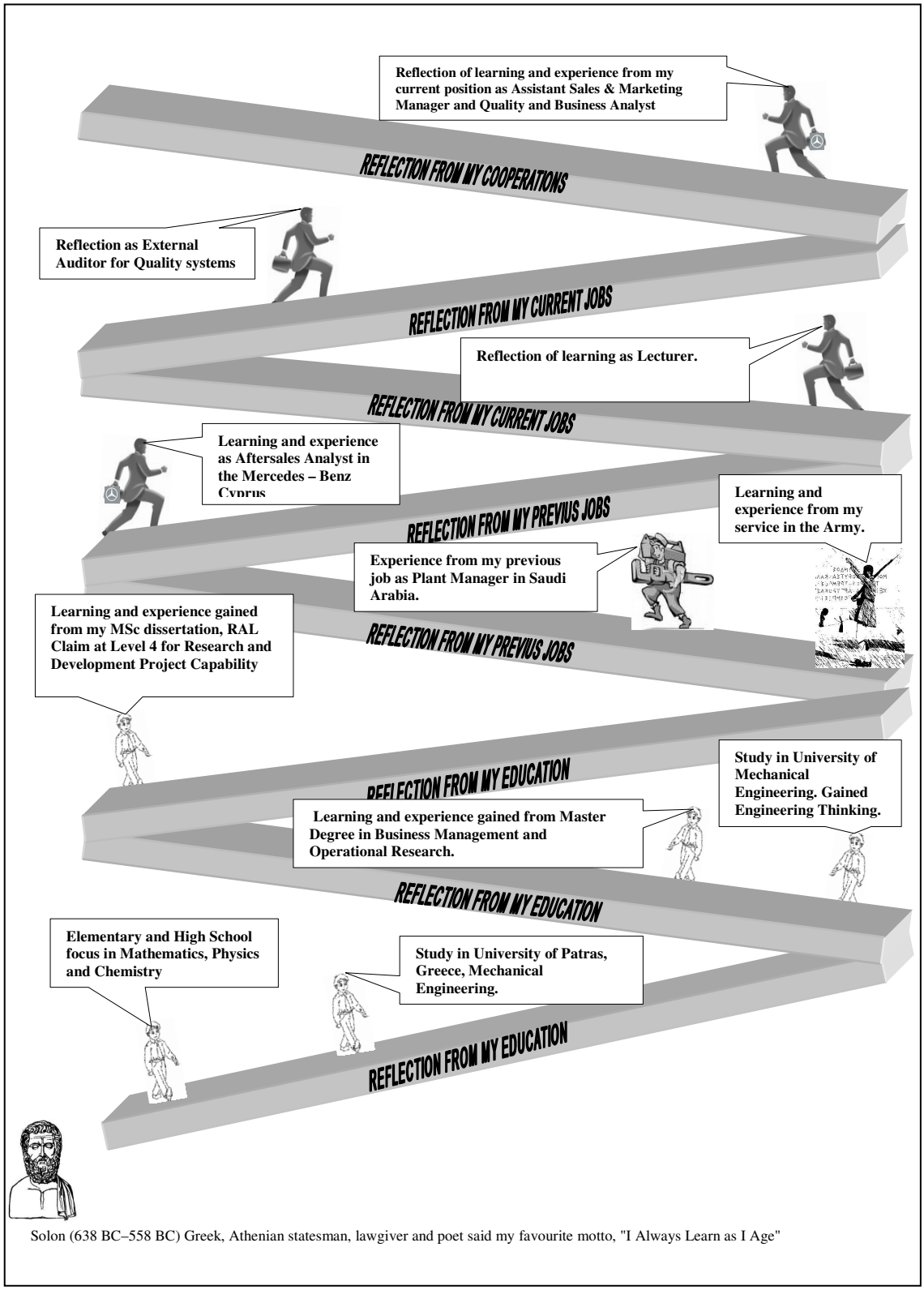
1.3 Coherence of the Programme

1.3.1 DPS 4520: Review of Learning

The module of the Review of Learning provided me with a summary and evaluation of my experiences and education to date, and an analysis of their relevance to my future learning and development. My education and work experiences have impacted on my personal development, as I have gained a mixture of both academic teaching and hands on business experience. Most of my experience comes from progressive roles that I

have held with Mercedes – Benz. With Mercedes – Benz, I have been fortunate to have a career that has spanned multiple disciplines including Information Technology, Quality, and Sales and Marketing. I present my learning in a chronological and thematic approach, with the following diagram figure 1:1 to reflect on my learning, which shows my lifelong learning stages up to this point.

Figure 1:1 "Keep walking on the path of my Reflective Learning"



Solon (638 BC–558 BC) Greek, Athenian statesman, lawgiver and poet said my favourite motto, "I Always Learn as I Age"

Starting from school and during my first university degree, I had a special focus on Mathematics, which helped me develop my problem solving thinking which let me to my doctorate project. My first-degree in Mechanical Engineering, helped me understand

how to bring together knowledge of previously solved problems and understand the current need to combine new solutions.

Following my first degree as a Mechanical Engineer, I continued for a Master degree related to Business and Operational Research. This Master Degree has had an important impact on my professional and academic development. As Neely (2002) states "researchers with functional backgrounds as diverse as accounting, operations management, marketing, finance, economics, psychology, and sociology are all actively working in the field of performance measurement".

The research project I have undertaken for my Master dissertation studies was a Statistical Analysis of Labour Accident in Greece. Statistical analysis can integrate with the business performance management. It helped me develop my statistical thinking. Statistical thinking is the philosophy of learning and the action that builds the foundation for successful decision making in any process (Britz, et al. 2000). Additionally, my Master Dissertation gave me my first opportunity to develop an appropriate research strategy. It provided me with the basic framework for my research approach to identify the research methods and data collection techniques which are required for my Dprof research project.

I have worked in engineering as Plant Manager with one of the most important construction companies in Saudi Arabia and Cyprus. Living in Saudi Arabia strengthened my motivation to work in a demanding environment and made me challenge my perception of the importance of simple things in our everyday life and work.

Furthermore, working in the desert alone with my team, represented a new type of knowledge and a different way of learning for me. I learnt about personal influence and negotiation. Leading a team was an excellent learning opportunity for me, and one that was very different from my past ways of learning. I also gained specific skills including project management and managing contractors, as I was responsible for installing equipment at our sites.

Having decided to change my direction, I successfully applied to Mercedes – Benz Cyprus for the position of the After-sales Analyst. My education and training from DAIMLER A.G., a highly innovative company with a global presence, has enabled me to understand the practical application of theories, especially at management level. With the need to improve the stock levels and control the transport cost of spare parts, I developed several information systems. Increasingly I became involved in data analysis and interpretation of data, which strengthened my skills in these areas and helped me

develop my thinking on how information is used. In particular, I began to think about how the end-users of information could influence the way in which that data are produced, interpreted and presented, and the way this can change the meaning of information.

The Board of Director of Mercedes – Benz Cyprus offered me the challenge of the combined position of Assistant Sales & Marketing Director and Quality and Business Manager. My duties have three main directions. Firstly, the development and management of the passenger car Sales & Marketing business, at both the importer and retailer levels; secondly the design, the development and implementation of new Information Systems for supporting the Sales & Marketing Business and thirdly the developing, running and maintenance of the Quality systems of the organisation. My current role has provided me with valuable experience and opportunities for learning. This allowed me to develop a deep understanding of various functions, including Finance, Sales & Marketing, Quality, Service and Human Resources.

Finally, the module Review of Learning helped me realise my strengths and weaknesses and identify the areas in which I needed to develop skills. I identified how important for the development of the project was, to expand my knowledge in research philosophies, approaches and techniques. Additionally I expanded my awareness in the literature and documentation that already exists in the study areas of business performance.

1.3.2 Recognition and Accreditation of Learning (RAL 4): Professional Learning

The Master Degree in Business Management and Operational Research had an important impact on my professional and academic development. It equipped me with skills and experiences which guided me to the research process, starting from clarification of the problem until the presentation of the findings to stakeholders, elements that are necessary for my project.

An important subject undertaken was Total Quality Management (TQM) and Operational Research. It was my first experience with tools to control and develop business. Another important subject in my Master was Economics and Law, which was directed at understanding the basic notions of modern economic science, with emphasis on microeconomic concepts and macroeconomic analysis. I had actively engaged in the discipline in a way not possible simply by listening to lectures and reading textbooks, but through reflection of the process of research. Writing and peer reviewing helped me to understand my own behaviour within a group situation. Another main subject was Management Information System (MIS). It helped me understand how to develop,

analyse and design computer applications for organisations and offered me the opportunity to see solutions with the help of technology to some of the most important company problems.

1.3.3 Recognition and Accreditation of Learning (RAL 4): Research and Development Project Capability

This claim is based on the dissertation topic submitted as part of my Master Degree. The study was broad and high-level, focusing on data mining and data statistical analysis with special information systems. Also it was important at the conclusion to forecast the trends of labour accidents in Greece. In planning and designing my research, I found tools and methods which gave me the opportunity to forecast the future and helped me understand the past.

Moreover in that research project, I had an extended focus on data preparation, as most real-life data sets contained missing data. This gave me the challenge of understanding data mining, which is one of the most important rules for efficient and effective strategy.

1.3.4 RAL 5: Advanced developments in professional practice

I have submitted a claim based upon two projects, the design and development of Information Technology and Business Management Systems. They have been supported by theoretical background, literature review in the area of business and management information systems, areas which constitute integral and essential parts of business performance.

Project 1: Designing, developing, performing and maintaining the Management Quality System ISO 9001:2000 for the Mercedes – Benz Cyprus.

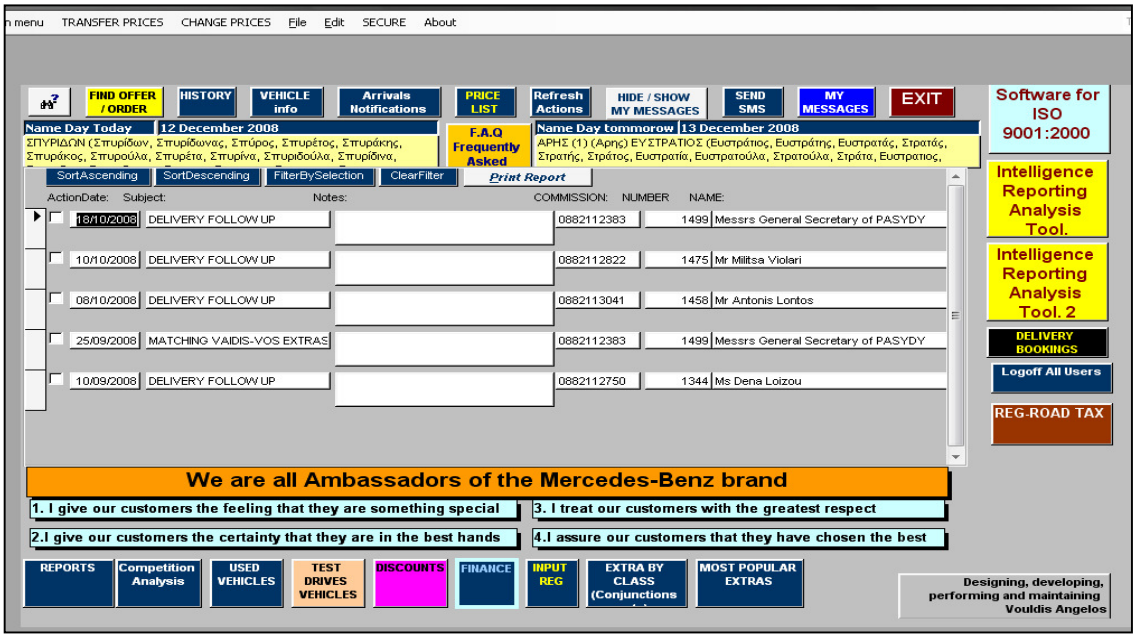
I realised that for this significant project, it was essential to improve my knowledge in the subject of the Quality Management. I did an extensive literature review on the subject of quality systems, which brought me up to date with what is current in the field. Based on this literature, I have established a system of monitoring, measuring, analysing and improving business performance so that service conformity was demonstrated, conformity to the Quality Management.

Project 2: "Designing and developing of the live information system for the Sales Department in Mercedes-Benz Cyprus"

The main targets to achieve this project were to design an intelligent information system that can track and manage car sales business, create summaries and reports. An important aim to achieve was the time spent by the Salesman in front of the computer screen would be no more of 15% of the total time. In this way, more time remains

available for the salesman to establish contact with an active and purposeful manner. For the design and development of the information system project, it was necessary to have extensive knowledge of the literature on the theories and approaches on how to build an enterprise data warehouse. The interface of the information system, as shown figure 1:2, came about from the observation of the way in which waiters take orders through a touch screen monitor. Only one screen in front of the users, without menus, only big clickable icons which are different from user to user and from level to level.

Figure 1:2 the interface of the information system. Print screen of the live information system for the Sales Department in Mercedes-Benz Cyprus



From the new vehicle arrival notification letters to the customer, until after the delivery follow up procedure, all were produced and controlled inside the system.

A different module in the system was the intelligence reporting analysis tool. The reporting tool concentrates data from different resources within the company and with a data mining procedure it prepares a final new database cube which gives the opportunity to show reports in different dimensions. Before this tool was available, about two working days were needed to prepare the monthly reports for Daimler A.G., but since the implementation of the Intelligence Reporting Analysis Tool, it is possible to complete all the reports in 30 seconds.

1.3.5 DPS 4561: Planning a Practitioner Research Programme

This module has given me a solid literature background in the area of business performance, and connected my professional experience with the deep academic knowledge and understanding of the current theories and practices. I have, in addition, expanded my research capability with new research approaches and techniques, which I

had not used in the past. I have developed a clearer understanding as to which ones I would use for my doctoral research project.

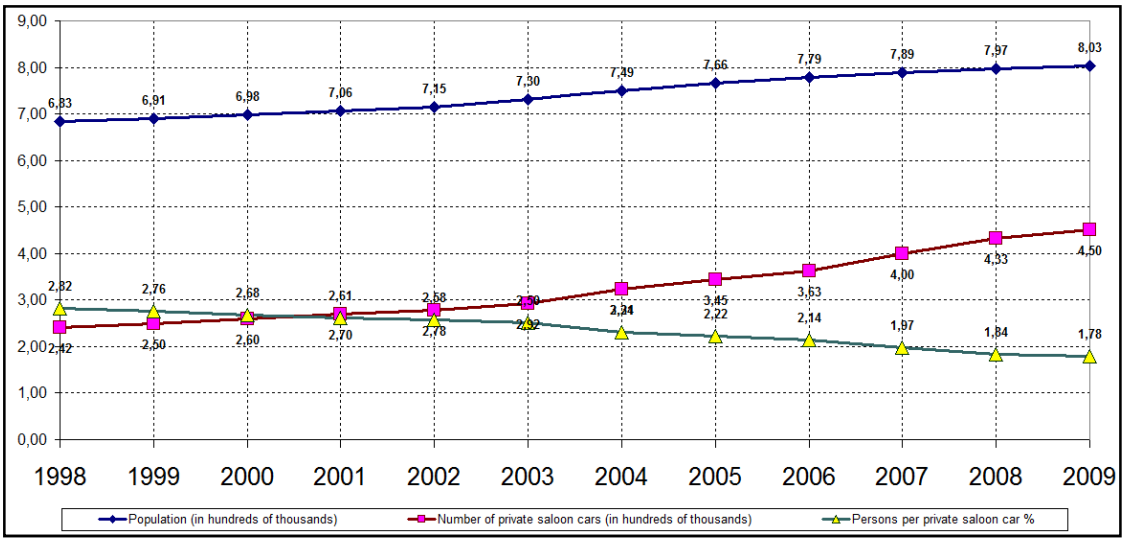
Furthermore, it helped me develop a significant and carefully planned research proposal for my research project. The final research proposal fulfils my aim to provide information about the theoretical and practical ways in which, in my opinion, this research should be conducted.

1.4 Environmental Context

Cyprus is a Eurasian island located at the Eastern Mediterranean Sea, 75 km south of Turkey, 105 km west of Syria, 380 km north of Egypt, 380 km east of Greek Island Rhodes. The maximum length of the island is 224 km from east to west and the maximum width is 96 km from north to south (Chimonidou & Vassiliou, 2010). The total area of Cyprus is 9,251 km^2. The Republic of Cyprus was established in 1960. Since 1974 the island remains divided, approximately 36% of its territory is not under the control of the Republic of Cyprus. The northern part of the island refers to itself as "The Turkish Republic of Northern Cyprus" (TRNC) after Turkey's 1974 invasion on the island subsequent occupation of 37% of its territory. The Administrative Districts are Lefkosia (partly occupied), Ammochostos (mainly occupied), Lemesos, Pafos, Larnaca and Kyreneia (occupied) (ISLENET, 2011).

As shown in figure 1:3, the population residing within the geographical boundaries administrated by the Republic of Cyprus were estimated at 8.03 hundred thousand at the end of 2009 with 4,5 hundreds of thousand private saloon cars registered, averaging one private saloon car for less than 2 people. This statistical analysis was based on data from *Statistical Service of Cyprus* (2010) as shown in Appendix 1 and Appendix 2.

Figure 1:3. Analysis of population, numbers of vehicles, persons per private saloon car in Republic of Cyprus



The demand for buying a vehicle has risen significantly over the last seven years according to the figure 1:3. In 2003 and 2006, reductions of import duty on vehicles based on a number of parameters have refuelled the market dynamics. There are various reasons that influence Cyprus consumers buy a car: it is needed for transportation but it is also used as a lifestyle accessory; cars have become an element of style through which their owners can express their individuality and their economic status.

Until the year 1999 the structure of the automotive retail sector had remained fundamentally unchanged in Europe (Urban & Hoffer, 1999). There were an authorised single brand dealer for every area under the control of the national distributor and the manufacturer. Car dealers were not allowed to sell cars outside their territory (Dutta et al., 1999). The European Community has taken various measures for creating a competitive market under the name of Block Exemption Regulations (BER, 2008). These rules have allowed dealers to set up secondary sales outlets in other areas of the European Union as well as in their own countries (BER, 2008). This new aggressive competitive environment forced automotive organisations to change their strategy by developing and restructuring their dealer network. Furthermore, these new rules forced dealers to follow specific standards to move upwards their costs and at the same time, due to the high competitive environment, the dealer's profit shrunk considerably.

Ernst & Young (2012) describes this phenomenon:

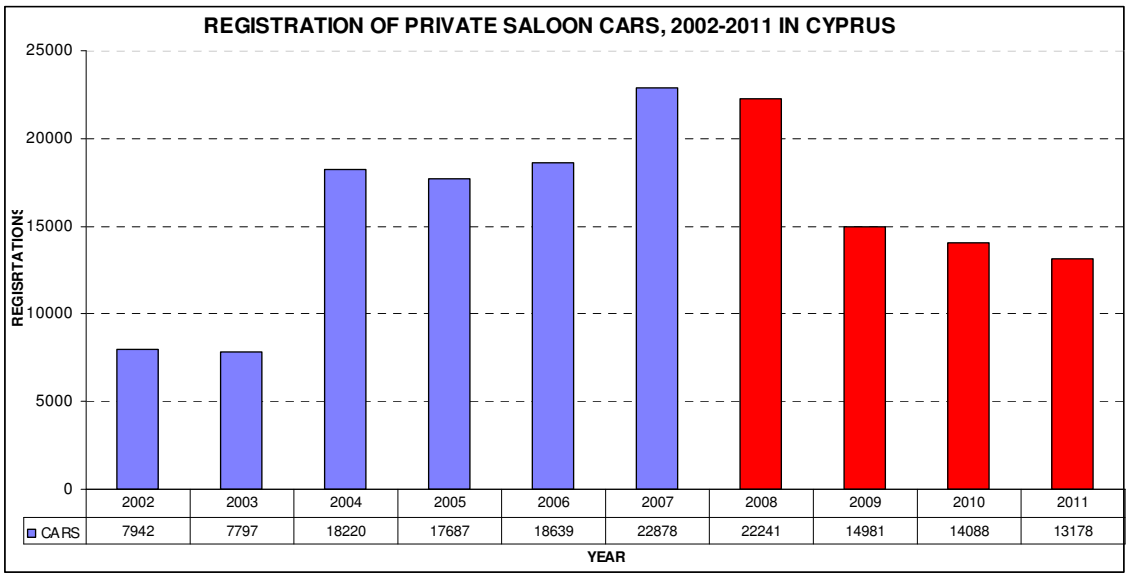
> "Every day is a race to beat the competition. You're under pressure to improve the way you operate, to make the most of your investments and to reduce your financial risk"

The automotive retail sector is characterised as one of the most competitive business within both the global and the local environment. The main competitors of the Mercedes-Benz as a premium brand are BMW and AUDI in the Cyprus market. BMW's long tradition as a manufacturer of premium cars is connected to the attributes sportive, high quality and reliability (Bernhardt & Kinnear, 1994). AUDI is the fastest growing premium brand focusing on customer experience with fresh and innovative product portfolio. BMW and AUDI have aggressive strategy concepts which focusing on younger buyers by varying their product range with modern design and competitive prices and by focusing strongly on the strategic marketing plan.

1.5 Financial Crisis of 2008

The financial crisis which started in 2008 caused a global economic downturn. It has been extensively analysed in terms of its impact on corporate strategies in publications of governments, international organisations (World Bank, 2009). It has also been intensely felt in the automotive business in Cyprus. Customers are increasingly uncertain to buy cars and find it more difficult to plan for a finance support. Registration for private saloon vehicles in 2011 was down by approximately 7% from 2010, while compared to 2008, there were record losses of 40% as shown in figure 1:4. This statistical analysis was based on data from *Statistical Service of Cyprus* (2012) as shown in Appendix 3.

Figure 1:4. Registration of Private Saloon Cars, 2002-2011 in Cyprus



This situation altered organisational goals and strategies; emphasis is placed on examining feasible alternatives of reducing expenses and increasing cash flow. In this respect, innovations in processes, procedures, products and services that reduce costs or improve cash flow are more in demand than ever before. It is worth mentioning that

during an interview on 15th December 2008, Christensen (2008) stated about the relationship of the financial crisis and improvements that "in an environment where you've got to push innovations out the door fast and keep the cost of innovation low, the probability that you'll be successful is actually much higher".

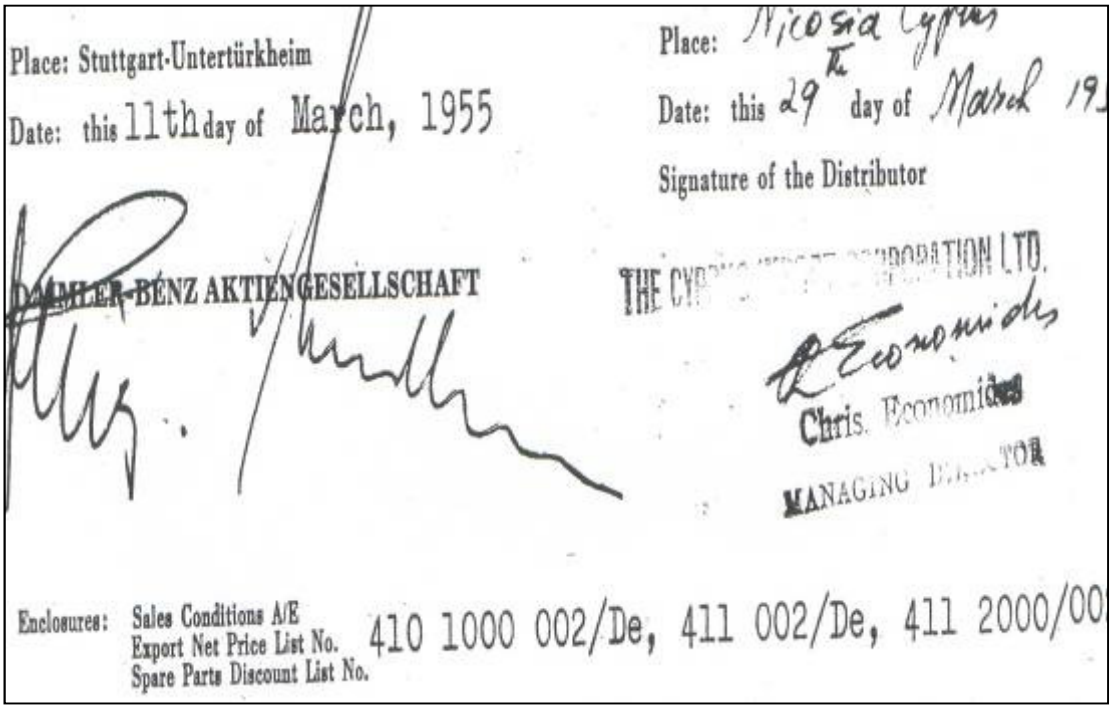
Ramo (2009) states that it is a start of what may become the most dramatic change in the international order in several countries in financial sector creating an unprecedented corporate crisis. Eventually, the financial crisis will end, and surviving organisations will recover.

The situation of the financial crisis makes this research project absolutely necessary for the host organisation, as it is needed to be more effective and flexible in broadcasting its strategy and goals. March & Simon (1958) defined that "stress and time pressure obstruct crisis decision makers" search for information. Williams (1957) noticed that "the amount of information that must flow through existing channels greatly increased during a crisis". It was crucial to these uncertain economic changes to have in place a flexible accurate measurement performance system.

1.6 Host Organisation

The CIC Ltd established in 1951 and commenced operations as a general trading company the same year. In 1955, it was appointed as the Sole General Distributor in Cyprus for all Mercedes-Benz vehicles; at that time, this prestigious brand had no presence whatsoever on the island (Cyprus Import Corporation Ltd. Quality Manual, 2005). Figure 1:5 shows the contract which had been signed by the first owner of the organisation Mr Christofis Economides.

Figure 1:5. Contract between the Mercedes-Benz and Cyprus Import Corporation



Place: Stuttgart-Untertürkheim

Date: this 11th day of March, 1955

DAIMLER-BENZ AKTIENGESELLSCHAFT

Place: Nicosia Cyprus

Date: this 29th day of March 19

Signature of the Distributor

THE CYPRUS IMPORT CORPORATION LTD.

Chris. Economides

MANAGING DIRECTOR

Enclosures: Sales Conditions A/E
Export Net Price List No. 410 1000 002/De, 411 002/De, 411 2000/00
Spare Parts Discount List No.

The company started its activities with a showroom in Nicosia as shown in figure 1:6. With proper marketing approach and a supreme after sales service, CIC has effectively established Mercedes-Benz as a top-selling luxury brand in Cyprus.

Figure 1:6. The first building of the organisation in Nicosia

Despite the severe consequences of the 1974 Turkish invasion and occupation, CIC expanded to Limassol, the second largest town, then to Larnaca and Paphos. By 1992, the firm had an established presence in all major towns of the free part of Cyprus.

In early 2004, Daimler A.G. entrusted also the distributorship of Smart to CIC. During the same year, CIC was acquired from its original founders in a management buyout. The management buy-in was led by the General Manager, Mr Kyriakos Kyriakides with the cooperation of the managers of the different departments of the organisation. It ensured the smooth continuation of the business, because the new owners have been previous managers in the company already.

In the midst of the global financial crisis, the Cyprus Import Corporation focuses on its goal; this is to be the number one provider of quality products and services in the business areas in which it is active. The latest development is the completion of the new Mercedes-Benz and Smart showroom in Nicosia in 2010 (figure 1:7). The facility has a total area of 1.300 m^2, office space of 270 m^2, a workshop for simultaneous repair of 7 vehicles, a spare parts warehouse and an underground parking for 30 vehicles with a total area of 1.300 m^2.

Figure 1:7. New Mercedes-Benz and Smart showroom in Nicosia

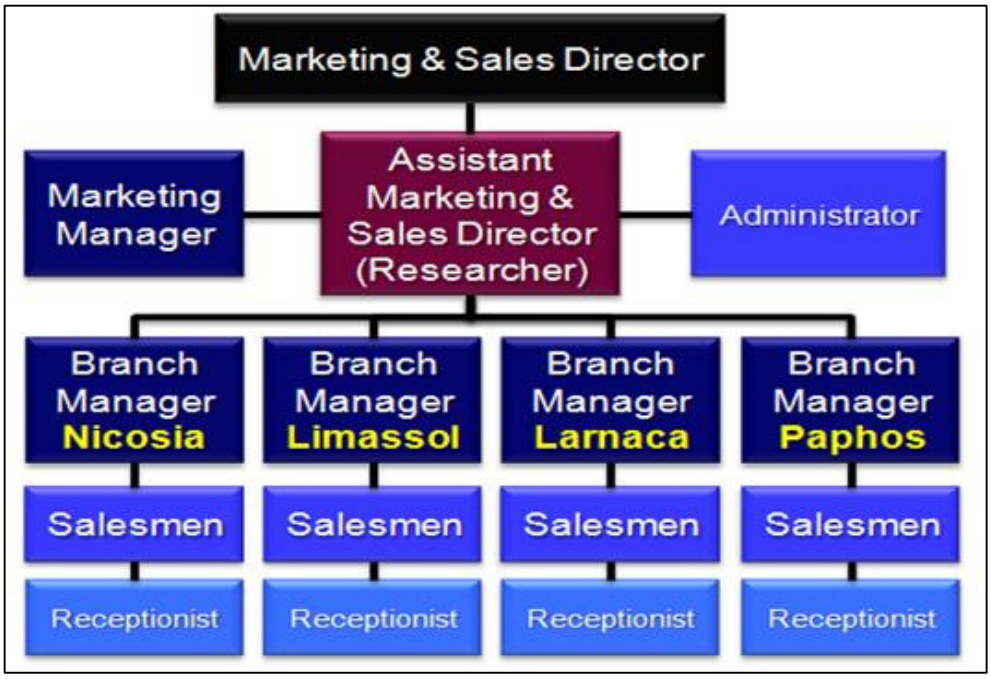
More importantly, CIC invests in facilities and in human resources, by hiring more people reaching to a total of 270 employees by December 2009, compared to 256 of the same month the previous year. At the same time, it expanded the Group with the buyout of Demades Bros Ltd., that is, the dealership for Fiat, Alfa Romeo and Fiat Abarth. With this buyout, it increased its employee base by 55 new members, reaching to a total of 325. Overall, the organisation has showrooms and after-sale facilities in all major cities in Cyprus (figure 1:8).

Figure 1:8 Cyprus Import Corporation network

Figure 1:9 presents the structure of the Sales & Marketing department of the organisation and the position held by the author.

Sales department in the Mercedes - Benz Cyprus has a director who is also a member of the Board of Directors and one of the shareholders of the company. He has significant influences in decision making in the organisation giving flexibility and different weight to this research project. The author is the assistant of the Sales & Marketing Director having the authority and responsibility for developing this research project. The Marketing manager is in charge of setting up the company's marketing action plans and carrying out the marketing and promotional activities. Every Branch Manager has the responsibility for all the operations that are performed by the employees at their retail branch. Sales consultants are the most crucial position in the sales process of selling vehicles with overall responsibility from the first contact until the follow up procedure after the delivery of the vehicle to the customer. All the sales consultants are certified by the manufacturer with a standardised development process to ensure high international standard for the brand in terms of the qualification of sales personnel. For every branch, there are front desk receptionists giving the first impression of the organisation to customers.

Figure 1:9. Flowchart of the organisation



1.7 Format of the Proposed Project

The proposed research defined a conceptual framework for measuring and managing sales performance in the organisation. To accomplish the research aim, the following objectives were identified. A literature review was conducted. Through this literature review, models, frameworks and approaches that can be used to manage and measure business performance in Mercedes-Benz Cyprus were identified and reviewed. Following this, practices in measuring and managing business performance in Mercedes-Benz Cyprus were examined. The proposed performance measurement approach was evaluated within the specific organisation. The scope and format of the outcome of this research were used as a roadmap for implementing the suggested performance monitoring and measuring framework. The proposed process of deriving the proposed performance monitoring and management system was also investigated to find out whether it may be used by other organisations. The author, holding the post as Assistant Sales and Marketing Director and having the responsibility for quality & business analysis for the Mercedes-Benz Cyprus gained the authority for the necessary resources. As this project was part of the main task of the organisation, the impact on the work of stakeholders was examined. It was essential to ensure that the involved people had the necessary tools, materials, and work space to support their tasks. In addition, specialist, statisticians or computer programmers were not used because, as the author had presented in his review of Learning, he has been leading the design and

development of a combination of business and information technology projects for Mercedes – Benz Cyprus.

1.8 Assumptions and limitations of the research

1.8.1 Assumptions of the research

The research was based on the following assumptions:

- Participants had the knowledge and the experience to take whatever actions were necessary to support this project.
- The research project was developed under the financial crisis conditions which affect the approach and performance results of an organisation.
- The results of the research project were implemented only in passenger car sales in the automotive retail sector. It was assumed that the results could be generalised in any kind of sales in the automotive retail business.

1.8.2 Limitations

The primary limitations of this research are:

- The findings were based only on two case studies, out of which generalised conclusions were drawn. In fact, both companies were from the automotive retail sector in the same country (Cyprus). However, it was also investigated whether the proposed framework could be used for many more organisations in other countries in order to be able to generalise the conclusions.
- With the literature study used, there was the possibility that an important performance management system or problems had been ignored. However the most important ones were investigated.
- The number and the knowledge level of the participants were substantial; However participation of experts in the area of measuring and managing sales performance could increase the overall validity of the results.

CHAPTER 2: RESEARCH METHODOLOGY

2.1 Chapter Summary

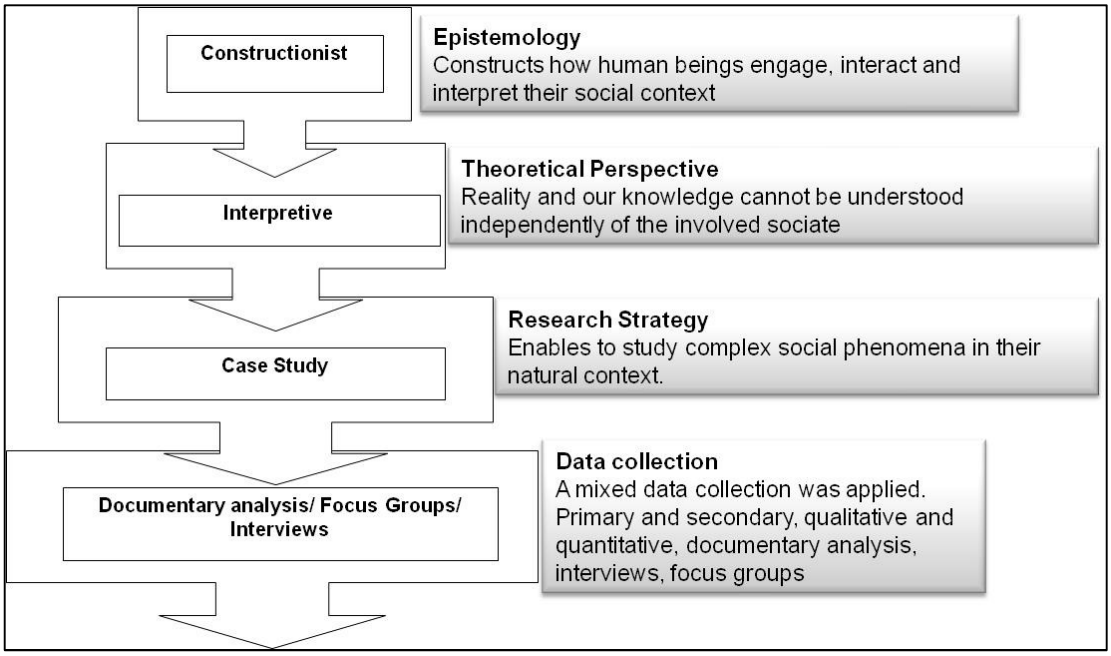
This chapter aims to point out the research methodology of the research project. It analyses its elements and the rationale for the choice of the specific research design as well as the step by step research implementation process for this project.

2.2 Elements of the research methodology

2.2.1 Introduction

This chapter reviews research methodologies and then, as a result of this review, it presents and evaluates the research methodology used in this project. Crotty (1998) illustrates four elements about the relations between method, methodology, theoretical perspective and epistemology, which inform one another as shown in figure 2:1.

Figure 2:1. Four elements (Crotty, 1998)



Furthermore, Crotty (1998) states that "assumptions about human knowledge can be traced through the choices we make in our respective responses to each of the four questions:

- What methods do we propose to use?
- What methodology governs our choice and use of methods?
- What theoretical perspective lies behind the methodology in question?
- What epistemology informs this theoretical perspective?"

Crotty (1998) defines the following important definitions in the research methodology:

> "Methods are the techniques or procedures used to gather and analyse data related to some research questions or hypothesis.

> Methodology is the strategy, plan of action, process or design lying behind the choice and the use of particular methods and linking the choice and use of methods to the desired outcome.
>
> Theoretical perspective is the philosophical stance informing the methodology and thus providing a context.
>
> Epistemology is the theory of knowledge embedded in the theoretical perspective and thereby in the methodology".

2.2.2 Epistemology

Epistemology can be comprehended as the sciences of analysing the way human beings understand knowledge about what is perceived to exist (Burrell & Morgan, 1979). Epistemology has been described from several authors as the possible ways of gaining knowledge of social reality (Blaikie, 2000; Chia, 2002; Hatch & Cunliffe, 2006).

Crotty (1998) suggests that we have three epistemological positions:

> "Objectivism where knowledge exists whether we are conscious of it or not. It is foundationalist and absolute. Researchers with this position try to find causes, effects, and explanations. They try to predict events and test theories and hypotheses. And this stands in opposition to the other two positions which seek to understand and describe rather than explain.
>
> Subjectivism may be defined as the view that comprehending human behaviour consists solely in reconstructing the self-understandings of those engaged in performing them. To comprehend others is to understand their meaning of what they do and to understand this meaning is to understand them in their own terms.
>
> Constructivism believes that social phenomena develop in particular social contexts. The concepts or practices in a particular context may seem obvious and natural but are actually artefacts of that context. Individuals and groups participate in the creation of their perceived social reality and this reality is ever evolving as social interactions occur".

Given the nature of this research project, the epistemology it belongs to that of constructivism. It focuses to construct how human beings engage, interact and interpret their social context. Hammersley & Atkinson (1995) claims that "constructivism is all meaningful realities which are perceived by the research subjects will be contingent upon human practices; they will be constructed from the interaction between human beings and their world; and they will be developed and transmitted within an essentially social context". Gergen (1999) states that "the basic contention of the constructivism argument is that reality is socially constructed by and between the persons who experience it". That reality can be inconsistent for each of us based on our unique understandings of the world and our experience of it (Berger & Luckman, 1966). In contrast, the objectivism theoretical perspective is not suitable for this project as it suggests that truth and meaning reside in their objects, independent of any human

consciousness (Bourdieu, 1990). On the same taken, subjectivism is not suitable for this research as it goes to the other extreme by believing only in human consciousness (Adorno, 1983).

2.2.3 Theoretical perspective

Theoretical perspectives can be divided into the following different categories.

Post-positivism states that absolute truth can never be found. The word "Positivism" has developed to a common approach to research which incorporates methods and approaches of natural science for the study of human behaviour (Burns, 2000). It contains a clear distinction between theory and research and includes elements of both deduction and induction (Bryman & Teevan, 2005).

Interpretivism as Howcroft & Trauth (2005) state about that "reality and our knowledge of it are social products that cannot be understood independently of the social actors who construct and sense of that reality".

This research project was conducted within the interpretivism approach as the social world, and the study of it, was fundamentally different from the natural world. It did not consider that there was one single objective truth that could be found and explained, thus both the positivist and realist approaches were not appropriate. Development and implementation issues for managing sales performance depend on the social world, type of business, consisting of humans. Crotty (1998) states that "interpretivism was conceived in reaction to the effort to develop a natural science of the social". The study of a project in its natural social environment, in this case was part of the interpretivist philosophy and is suitable for this research.

The close relationship of the researcher and the researched area in this theoretical perspective, and the risk that any understanding could be framed within the approach of the researcher, meant that actions had to be introduced to avoid bias. It was essential to examine ways of critical thinking about the processes, relationships with the stakeholders, and the quality and richness of the data and analysis. It is normal for different reaction to be raised by the stakeholders as this project was effected to their responsibilities. Using training would give them opportunities to familiarise and accept the new concept of the measurement and management of sales performance in the organisation.

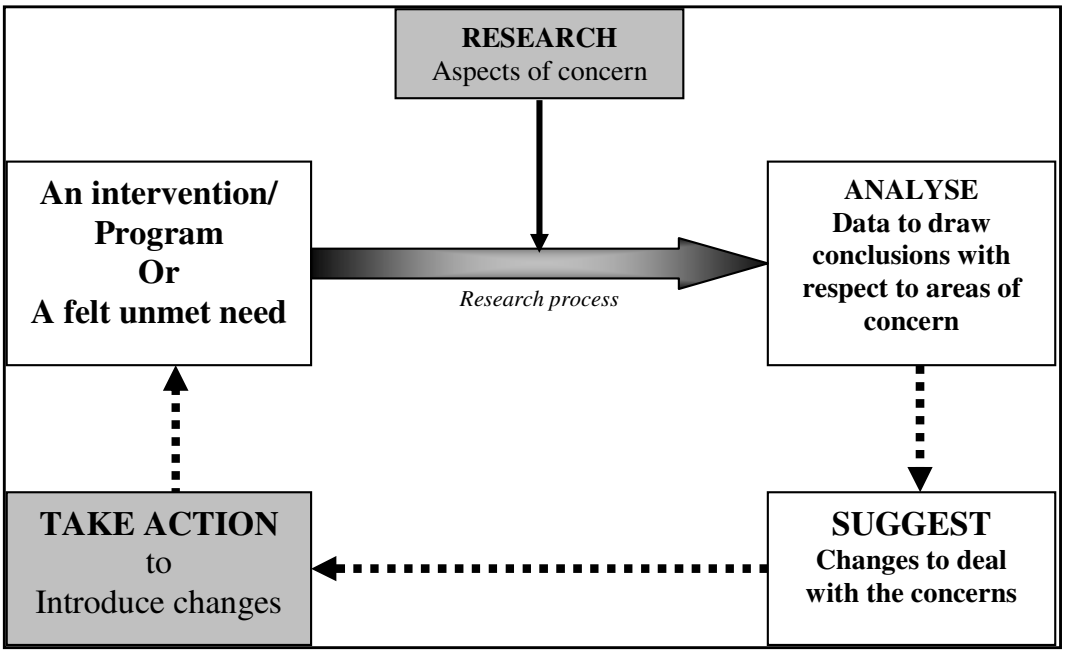
2.2.4 Research Strategy

The decision regarding research methodology used in work-based research was driven by the stated research questions. Six main research strategies which are outlined below set the frameworks of the different methodologies used to answer the research questions. ***Action Research*** is suitable for improving our understanding in the study area, develop our learning and influence others' learning. As McNiff & Whitehead (2006) state Action Research "has become increasingly popular around the world as a form of professional learning. Action research is suitable for improving our understanding in the study area, develop our learning and influence others' learning". Kemmis & McTargets (1998) define that

> "Action research is a form of collective, self-reflective inquiry that participants in social situations undertake to improve; the rationality and justice of their own social or educational practices and the situations in which they carry out these practices. Groups of participants can be teachers, students, parents, workplace colleagues, social activists or any other community member-that is any group with a shared concern and the motivation and will to address their shared concern."

The steps for the Research Action are described by Kumar (2005) in figure 2:2.

Figure 2:2: Action research design (Kumar, 2005)



In this approach, the research cycle starts with an unmet need, analysing the data which are collected through a research process, suggesting potential changes, and finally taking action to set up these changes.

Action Research is collaborative as Kumar (2005) states it "is based upon a philosophy of community development that seeks the involvement of community members". The action researcher is like a physician trying to help a patient (Cunningham, 2001). The

rule of worker/ researcher as member of an organisation is to motivate the participants to their own change. Action research is a powerful and useful model for practitioner research.

Koshy (2005) states that:

- Research can be defined within a specific circumstance or condition;
- Researchers can be participate actively in the process – they don't have to be distant and detached from the situation;
- Action research involves constant assessment and modifications can be made as the project progresses;
- There are circumstances for theory to emerge from the research rather than always follow a previously formulated theory;
- The study can lead to open-ended outcomes;
- Through action research, the researcher can bring a story to life".

The disadvantages are:

- It is time consuming and continuing, for example as collaborative method it is essential to use interviews, which need time in the research.
- It is not easy where there is not a set group of people.
- It is based on the support of some participants
- It is difficult to generalise from action research. It is focused on the research project and may not be safe to assume that other people or other systems can take action to set up the same changes.
- It is difficult to generalise from action research (Adelman, 1993).

Soft Systems Methodology (SSM), developed by Checkland in 1970s, is a way of analysing unstructured and poorly defined problems in real world (Lucey, 2004). It is. As cited by Checkland & Scholes (1999) "in the case of Soft Systems Methodology (SSM) we have a cyclic methodology which is itself a systemic process, one which within its procedures happens to make use of models". This method places its emphasis on the analysis of the problem before any action is taken.

SSM is a comparison between the real life situations as it is, and as it might be. The stages for the SSM process are described by Checkland & Scholes (1999):

- "Finding out and investigating the unstructured problem;
- Expressing the problem situation;
- Formulating root definitions, from what different perspectives we can look into this problem;
- Building conceptual models;

- Comparing models and perceived real world;
- Debating defining changes;
- Taking action".

SSM was developed to promote investigation of purposeful human activity (Flood & Carson, 1993). The SSM approach is efficient in cases where the problem situation does not have clear objectives. Because SSM deals with real-world situations, it needs to reflect real-world problems. Generally soft system analysis attempts to understand the complexity, promote learning, identify weakness, and understand relationships.

Case study as define Dul & Hak (2007) is:

> "a study which a case (single case study) or a small number of cases (comparative case study) - in their real life context are selected, and scores obtained from these cases are analysed in a qualitative manner".

For the work-based research, the case study comes from the organisation environment or other similar environment. Yin (1994) suggests that a case study "investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are clearly evident". Case studies have been criticised by some as a lack of scientific rigour and reliability and that they do not address the issues of generalisability (Johnson, 1994). However, there are some strengths of case study. It allows the researcher to develop a holistic view of a certain experience or series of events and can present a complete picture since many sources of evidence are used (Gummesson, 1991). Another advantage is that case study can be useful in capturing the emergent and immanent properties of life in organisations and the ebb and flow of organisational activity, especially where it is changing very fast (Hartley, 1994). Stake (1994) identifies three types of case study: "intrinsic, when it is the case that is of particular interest; instrumental, when it is necessary to use the case to investigate or refine a theory, rather than just for the case itself; collective, when instrumental study is pursued in several cases, which may or may not have common characteristics".

The experimental method is linked with the physical and social sciences. The major advantage of the experimental method is that it allows establishing cause and effect (Dwyer, 2000). The Quasi-experiments are widely used in the work-based learning research projects because when randomisation is impossible they are typically easier to set up than true experimental designs. Blaxter, et al., (2006) summarised the following advantages and disadvantages of the experimental method:

"Advantages:

- Following the random appointment of people to involvement and manage groups the risk of unrelated variables confounding the results is minimised.
- The experiment is the only research design, which can, in principle, yield causal relationships.

Disadvantages

- It is difficult to design experiments so as to represent a specified population.
- It is often difficult to choose the 'control' variable so as to exclude all confounding variables.
- Contriving the desired "natural setting" in experiments is often not possible".

Survey research is inherently interdisciplinary. Sampling and estimation procedures require knowledge of probability theory and statistics (Czaja & Blair, 2005). One of the most critical subjects in the Survey research is the Sampling Decisions. It must ensure that the sampling frame is not influenced by either or presenting a different group of the population. Survey research is inherently interdisciplinary.

The five general stages of a survey as described by Czaja & Blair (2005) are:

- "Survey design and preliminary planning;
- Pretesting;
- Final survey design and planning;
- Data collection;
- Data coding, data-file construction, analysis, and final report"

As cited by Wimmer & Dominick (2005) surveys have several advantages and disadvantages.

Advantages:

- They can be used to investigate problems in realistic settings.
- The cost of surveys is reasonable when considering the amount of information gathered.
- The internet is profoundly changing the way we communicate with one another.

Disadvantages

- As all research methods have limitations the survey research method cannot provide direct evidence of causation.
- Another disadvantage is that the respondents are inaccurate in the responds they provide.
- Some survey research is becoming difficult to conduct.

The Ethnographic approach involves the researcher participating, overtly or covertly, in people's daily lives for an extended period of time, watching what happens, listening to what is said, and/or asking questions through formal and informal interviews, collecting documents and data (Hammersley & Atkinson, 2007). The researcher must be concerned to report findings objectively.

In addition, there are two broad *Research Families*: the Qualitative and the Quantitative. Qualitative research investigates the data as qualitative value and Quantitative research analyses them in some numerical way. Quantitative research has typically been more directed at theory verification, while qualitative research has typically been more concerned with theory generation (Punch, 2005). As Kumar (2005) states, "in most studies you need to combine quantitative and qualitative skills".

Chosen Research Strategy for this research project. The Case Study strategy was used for this research project. The type of the case study conducted was Instrumental. As Stake (1995) states that "it is used to accomplish something other than understanding a particular situation". It was a bounded study through the choice of specific research questions, which dealt with a particular case of measurement and management business performance in a particular organisation. As Walsham (1995) states, "case study enables us to study contemporary and complex social phenomena in their natural context". Therefore, the nature of sales performance issues of the implementation and management processes, coupled with the purpose and nature of case studies could be seen as being suitable. Eisenhardt (1986) states that case study can be used for various aims as "descriptive, theory testing or theory generation". It generated empirical data and information, which was used for the development of the final product of the project. Moreover, it had a positive effect on the host organisation policy of continuous improvement and it applied personal professional development of the stakeholders, helping them to improve their own learning on the subject of business performance. For the purposes of this project, the case study was instrumental, because the main objective of the research examined the existing performance measurement literature.

The major limitation of a case study approach is that the findings cannot be generalised easily. It was necessary for this project to find out how other organisations manage their sales performance.

2.2.5 Research approach and data collection

All research involves the collection and analysis of data, whether through reading, observation, measurement, asking questions, or a combination of these or other

strategies (Blaxter, et al., 2006). The choice of an appropriate method depends on the purpose, the needs, the expense, and the time. David & Sutton (2004) describe data as "not what is out there to collect. Data are what is actually recorded by the Researcher. Data are a product of research and with the special tools must be shaped and generate a reflection of the reality".

Documentary Analysis. A fundamental aspect of any research is the extent usage and analysis of documents and literature. Documents are not only library or academically based literature. They can involve the analysis of photographs, films, videos, reports, inside organisation information and other non-written sources. The effective and critical assessment is essential especially with the Internet revolution. Internet allows access to a far wider range of material of much more variable quality than that found in university libraries (Dochartaigh, 2002). Documents can be divided into primary and secondary sources. Primary sources are composed at the time of an experience. It can include interviews, diaries, letters, journals etc. When collecting secondary data, there are two key questions to be answered, as stated by Riley, et al., (2000) "first, how do you establish its quality, and second, how do you make it "work" for you". A third kind of document is the diaries. Diaries must be a part of every research activity helping to keep a progress check on the project and, as Koshy (2005) states about keeping a research diary, "the reflecting process involved in writing a diary contributes to the professional development of the researcher".

Interview. Interviewing is a fundamental tool in qualitative research. The research interview is based on the conversations that have a structure and a purpose. The research interview is not a conversation between equal partners, because the researcher defines and controls the situation (Kvale, 1996). It can be done in several ways: face to face, over the telephone, with a website on the Internet, or in focus groups. A style of interview commonly used in work- based learning is the semi-structured interview. As Robson (2002) states, in this type "interviewers have a basic list with topics and aim to achieve responses to them, but they have significant freedom in the sequencing of questions, in their exact wording, and in the amount of time and attention given to different topics". There are two major types of questions, which are used in the interview process. Open questions are used in qualitative research because they let informants respond in their own words. Closed questions produce information that can be summarised by numbers for statistical analysis. Grover & Vriens (2006) state that "it is useful to consider the questions with the six W's who, what, when, where, why, and way".

As cited by Kumar (2005) there are advantages and disadvantages of carrying out interviews.

Advantages:

- "The interview is more suitable for complex cases;
- It is functional for compiling in-depth information;
- Information can be supplemented;
- Questions can be analysed;
- Interviewing has a wider application;

Disadvantages:

- Interviewing is time-consuming and expensive;
- The quality of data depends upon the quality of the interaction;
- The quality of data depends upon the quality of the interviewer;
- The quality of data may vary when many interviewers are used;
- The researcher may introduce his/her bias;
- The interviewer may be biased".

Focus Group. Another important technique which is used to collect qualitative data is the focus groups. The researcher uses open-ended questions with an interview guide but it depends on the dynamic of the group, whether it is possible to change the style and series of the questions. As Morgan & Krueger (1998) states "if you need to gather substantial amounts of carefully tagged data within a relatively short period, then focus groups are more appropriate". The main advantage of focus groups is the ability to study a large amount of interaction on a topic in a short period of time. Additionally, focus groups are more interesting for the participants compared to the individual interviews because they can learn and exchange opinions with the other members. Furthermore, the small numbers of participants in focus groups limit the ability to generalise to larger populations. Kitzinger (1995) argues that "interaction is the critical feature of focus groups because the interaction between participants highlights their view of the world, the language they use about an issue and their values and beliefs about a situation". In addition, another benefit is that focus groups elicit information in a way which allows researchers to discover why an issue is significant, as well as what is most important about it (Morgan, 1988). Furthermore, the opportunity to be involved in decision making processes (Race, et al., 1994), to be valued as experts, and to be given the chance to work collaboratively with researchers (Goss & Leinbach, 1996) can be empowering for many participants.

Although focus group research has been a popular research approach, there are some significant restraints. Morgan (1988) states that "the researcher or moderator has limit manage over the data produced than in either quantitative studies or one-to-one interviewing". Many participants feel uncomfortable with participating in a group environment and some may find giving opinions in the bigger group threatening (Ouimet, et al., 2004). Participants in a focus group are speaking in a precise context, within a particular culture; as a result occasionally it may be complicated for the researcher to clearly recognise an individual meaning. Blackburn (2000) state that "the outcome of a focus group can be influenced by the "group effect" in that the opinion of one person might control, that some might be disinclined to talk and that an opportunity might not be given for all participants to express their opinions".

Another most widely used method of data collection is the questionnaire. The revolution of technology brought the computer-assisted approaches like web-based surveys, e-mailed questionnaires for large surveys, surveys with handheld computer for the questionnaires. The major aim of a Questionnaire is to transform research questions into serviceable questions. Researchers' ideas about what should be measured and how it should be measured must be concrete before a survey begins in order to produce a questionnaire (Axinn & Pearce, 2006).

As cited by Czaja & Blair (2005) the steps in the process of designing questionnaires are the following:

- "List the research questions;
- Under each research question list the survey questions topics;
- List all required ancillary information (background variables, etc.);
- Is the Web and literature search for questions from other surveys?
- Assess the variable list against general plans for data analysis;
- Draft the survey introduction (or cover letter);
- Draft new questions;
- Propose a question order;
- Revise 'found' questions if necessary;
- Try out the draft instrument on a colleague;
- Begin revisions;
- Periodically 'test' revisions on colleagues".

As Kumar (2005) states, questionnaires have several advantages and disadvantages.

Advantages:

- "It is less costly;

- It offers greater anonymity;

Disadvantages:

- Application is limited;
- Response rate is low;
- There is a self-selecting bias;
- Opportunity to clarify issues is lacking;"

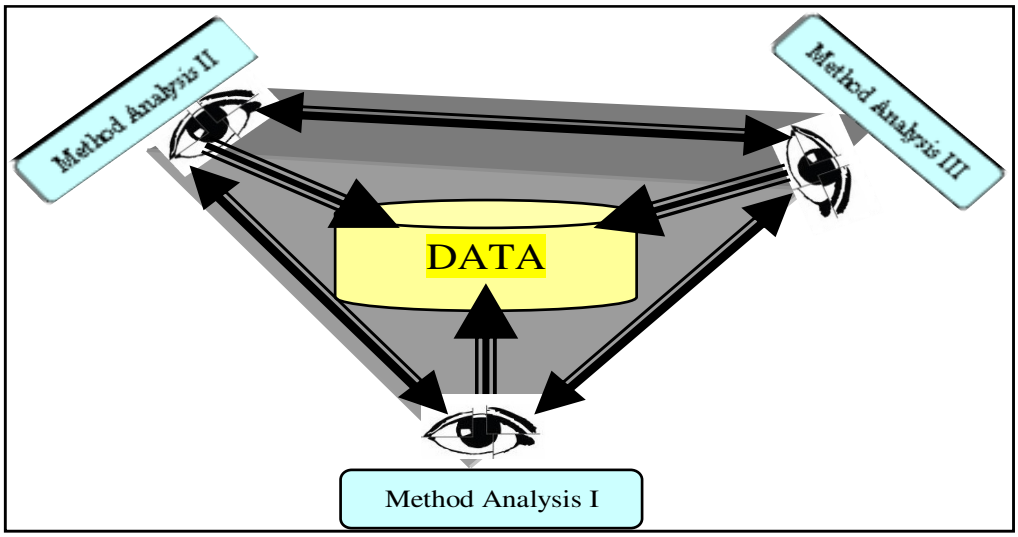
Observation. There is no single method of planning and implementing observational research (Lancaster, 2005). In participant observation the researcher takes part in the activities of the research exercise with the major aim to reflect upon the hidden issues and problems of the examined aims. This method of data collection is very time-consuming during the observation and during analysing what has been recorded. An advantage of the observation method compared to the interview technique is that the researcher can avoid the potential bias that can result in a respondent's contact with an interviewer during questioning. Furthermore, Robson (2002) states that "there is a major issue concerning the extent to which an observer affects the situation under observation".

Chosen Research approach and data collection for this research project. In Case Study driven research all standard methods of data collection may be employed. it depends on users' requirements, resources and time restrictions. It is necessary to employ a mixed research approach of qualitative and quantitative approach as it should examine multiple aspects of this research.

2.2.6 Triangulation

Using Triangulation helps combining the different research techniques. The use of three methods to get to the answer to the research questions increases the validity of project findings. The skill of the qualitative researcher in using triangulation is in balancing multiple perspectives in the research design and multiple perspectives in the research data, thereby reducing the risks of avoiding biases and prejudices (Baker & Hart, 2007). The triangulation of data analysis is presented in figure 2:3.

Figure 2:3. Checking Data using Triangulation (Baker & Hart, 2007)



A disadvantage using the Triangulation as cited by Denscombe (2007) is "the sacrifices that need to be made in order to accommodate the use of different methods. It is restricted by the amount of time for study and maybe money because the researcher needs to compare, contrast and integrate the findings".

Creswell (1994) states that qualitative approach is ideal for exploration of questions that do not only have a defined group of variables but where the relationships among a wide variety of variables are in need of investigation. It offers advantages in looking at a research situation from many different angles and means, which when used properly, can only provide stronger solution of the problem. Johnson & Onwuegbuzie (2004) state that "mixed methods research offers a great promise for practicing researchers who would like to see methodologists describe and develop techniques that are closer to what researchers actually use in practice".

In this research project was used three methods to get to the answer to the research questions the existing documentary analysis of the host organisation, the literature review and focus groups with the shareholders.

2.2.7 Ethical consideration

It was essential to examine all the possible ethical issues for this research project. Costley & Gibbs (2006) state that "practitioner researchers frequently investigate into areas that in themselves possibly will be sensitive with the result of value judgements and have ethical implications". The researchers have to investigate and to be prepared that these concerns may influence the ethical issues relating to the research process itself (Costley & Gibbs, 2006). Informed consent is a fundamental action to any

research project. Bulger (2002) defines the informed consent as "the process in which a participant consents to participate in a research project after being informed of its procedures, risks, and benefits".

There are two main ethical issues of this research project, firstly the need for securing the confidentiality of any information related to the host organisation and secondly the need for careful consideration of how the interviews would be contacted.

It was ensured that a full understanding of the ethical aspects and confidentiality of the proposed research programme as it belonged to the major tasks in Mercedes – Benz Cyprus. The information and data belonged to the host organisation and had to be treated with the highest respect and maintained in a secure environment at all times. Interviewed participants were informed of the purpose, aims and their responsibilities for this project and ethics form were signed by everyone who was involved. It was necessary to establish different layers and qualifications on who has access to the information for business performance. Ethical considerations were a major subject in the training activities in the development of measurement and management of business performance.

It was important for all stakeholders to work together to achieve their common goals, spending valuable time and effort for the development of the method of measuring and managing business performance. They had to be aware of their responsibilities and the benefits of their project. The internal communication and the feedback from all the staff are vital to the evolution of the cultural change. As Costley & Gibbs (2006) have said, it is not only a signed statement to the university:

> "It involves a 'real-world' consideration of our interaction with others, and an examination of the context of the research which informs and constructs the social realities of the situation and the identities of practitioner researchers and researched".

Furthermore the reporting analysis was developed taking into consideration ethical aspects of computer and information security and privacy.

2.3 Understanding the situation and context in the host organisation regarding sales performance

According to Denzin & Lincoln (1994) an important element of research methodology that needs to be taken into consideration is the context and in this case is the work-based context of the Mercedes-Benz Cyprus, in which this research project takes place. The aim is to establish the needs of the particular context. It examined current theories and practices in the area, compare them with current practices in the host company and identify current needs in order to improve the proposed framework. Stakeholders, who

were involved in the procedure of measuring and managing the sales performance in Mercedes – Benz Cyprus, were selected to take part in this project and provide the necessary data.

Before the development of this project, Mercedes-Benz Cyprus used to measure sales performance based on the different reports from the Daimler A.G, the financial reports and the ISO quality management system. There was no doubt that the financial crisis and the new strategies that had emerged over the last few years demanded new and different sales performance approached in the host organisation. It was about monitoring the organisation's effectiveness not simply in terms of cost but also in other dimensions such as quality, flexibility, value and so on.

In order to take steps to develop a sales performance measurement system existing strategies, programs, and data that were already generated and used within the organisation had to be examined and evaluated. These reports and tools offered several performance indicators but failed to offer a holistic view of the sales performance. In addition, management staff had a poor or incomplete method for evaluating business performance, which had remained static while the environment in which they operated has changed dramatically.

The following statements were clearly aiming to communicate the commitment of both the upper management and all other stakeholders for this project as well as their active involvement during its development. Therefore, by acquiring the financial support and business endorsement it was ensured that the project's main objectives and business requirements were adequately addressed. Furthermore, concerns regarding the simplicity of the derived performance management system were aired. The majority of the management staff believed that there was a need for a sales performance management system which should support their decisions in the difficult period of the financial crisis.

> "…It is important to have an overall solution for measuring sales performance. Until now, we have many reports without any clear alignment with our targets…."
>
> Management team 1
>
> "…we need a tool to support our decisions on this difficult financial environment. I believe that is necessary to implement a tool for giving information for our sales performance…"
>
> Management team 2
>
> "…we need your support in order to understand how to use the performance management system which we will use in the future…"
>
> Management team 3

> "…until now we do not have an overall picture of our performance. We are checking different individual reports without any coherent framework. I believe that it is a must to find a solution especially this period with the financial crisis…"
>
> Management team 4

Since 2003, and based on the decision of the Board of Directors the host organisation developed a project of designing, developing, implementing and maintaining the Management Quality System ISO 9001:2000. An important part of the implementation was the collection and analysis of appropriate data. Part of the project aim was to establish statistical methods to determine its overall performance and level of customer satisfaction. These analyses were useful in the conversion of market data into market studies, of quality data into quality reports and customer satisfaction data into information on customer loyalty. As the company developed, there was a greater urgency to focus around the customers, thus allowing the management to invest well and wisely to meet their needs.

The only way to achieve such a goal was to analyse the data for business and process monitoring. This information was reviewed at management meetings. Data on service problems were collected throughout the process. These data were analysed and prioritised for investigation. The management identified root causes and proposed long-term solutions and preventive actions with mandates for improvement teams.

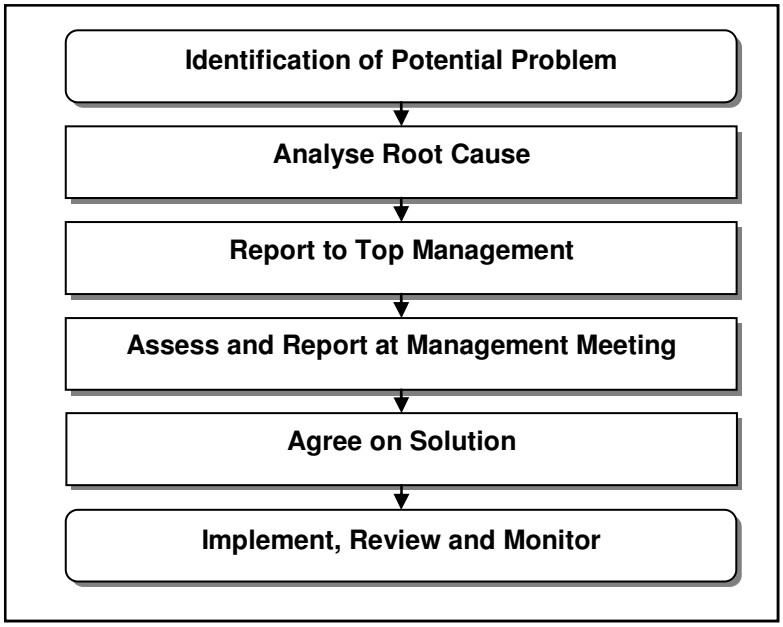
The data analysed included the following:

- Customer surveys and complaints;
- Audit findings and nonconformity reports;
- Outputs from data analysis;
- Staff suggestions, complaints, training and competence.

The procedure for preventive action included the methodology adopted for instituting such action on processes and work operations, which affect process quality.

The flowchart presented in figure 2:4 below outline the approach taken by the Company to resolve potential nonconformities.

Figure 2:4 Controlling nonconformities

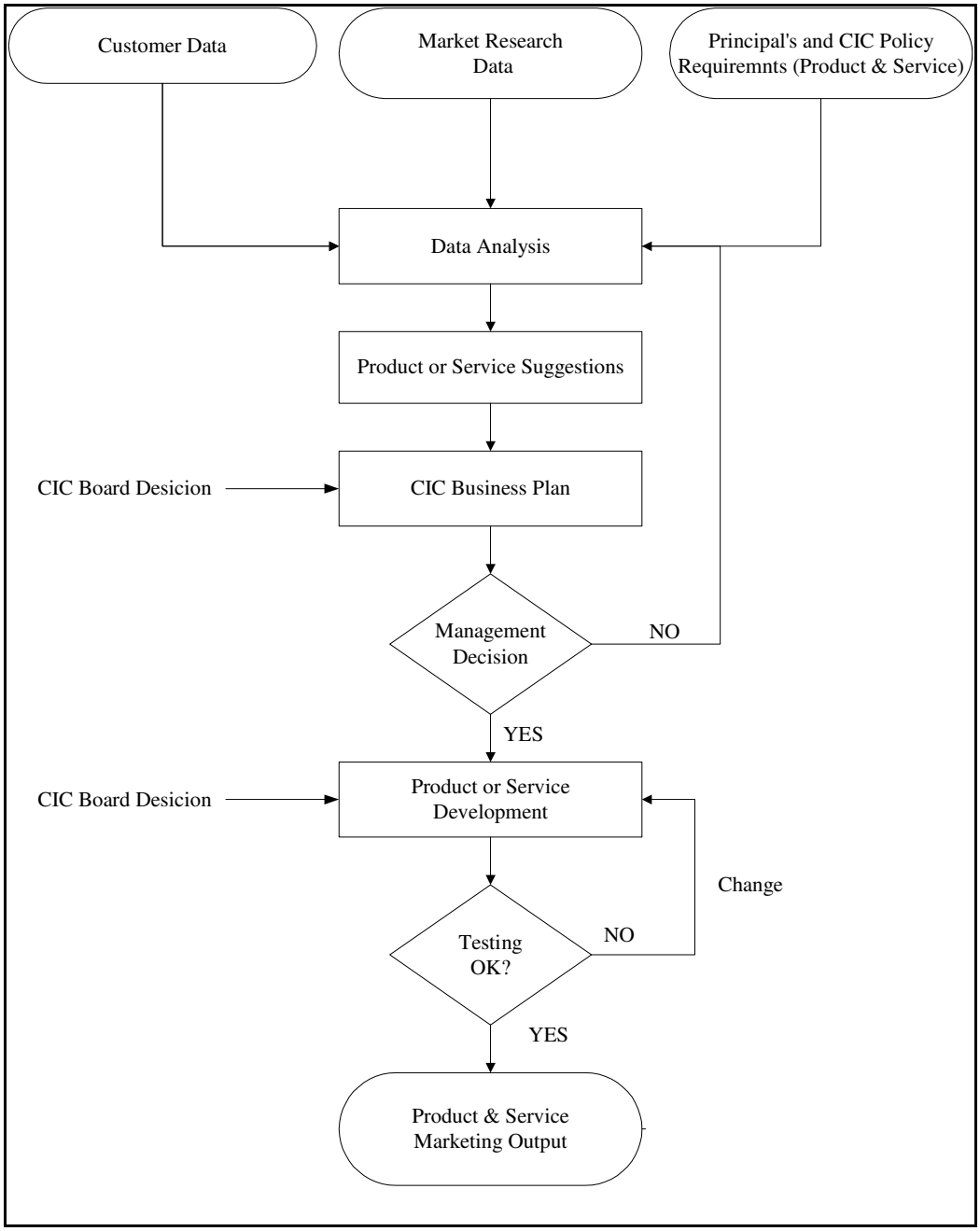


The quality policy as cited in (*Cyprus Import Corporation Ltd. Quality Manual*, 2005) and in conjunction with the principal directives aimed to:

- provide sustain customer satisfaction at all times;
- provide quality of service;
- offer value for money products and services;
- ensure customer mobility through after sales support at all times;
- maintain profitability;
- expand and invest in new facilities, products and services.

Based on ISO 9001:2000 directivities a first model for product and service development support was developed. Figure 2:5 outlines this model which includes performance indicators for measuring several core business processes throughout the entire organisation.

Figure 2:5. Data Analysis for the sales & marketing department in Mercedes-Benz Cyprus (Cyprus Import Corporation Ltd. Quality Manual, 2005)



It consisted of several integrated modules that address the identified aspects of quality management. These modules were interconnected and shared a single data repository which enabled users to have efficient and consistent data access as well as data visibility across business functional units. This model could be used as a directivity map for the process of analysing and creating an action plan after the results of the implemented performance measurement system. It was a resource assessment tool enabling a comparison between actual performance and potential performance. This information was reviewed at management meetings and upon Management Review, it was communicated to the interested parties, and where necessary, appropriate action was

taken to eliminate any unwanted trends. In addition, the processes that did not comply with the standard ones were redesigned and finally those processes which were required by the standard but that were not currently in place were identified.

A critical review on the effectiveness of the ISO Quality System in the organisation confirms that it had a positive impact on operational effectiveness. It supported the organisation to follow the standard procedures in order to deliver the desired product and service to the customer's needs and expectations. Furthermore, the organisation had the appropriate culture and policy to accept a performance measurement management system after having used for several years the Quality Management System ISO 9000.

However, the author's feedback, as responsible for running the ISO 9000 in the host organisation has identified lack for providing a conceptual process for developing an established performance measurement system. This quality system had not defined a process that could be used to identify potential measurement and targets in the crucial areas for improvement. It was finally only used as an effective management system for establishing and running the procedures of the organisation.

Therefore changes had to occur to Mercedes – Benz Cyprus, with the support and demand of the principal Daimler A.G., a highly innovative company with a global presence, had already used valid tools and reports for measuring parts of sales performance. So, based on this pre-existing experience this research project was to explore possible improvements.

The Sales & Marketing Director stressed that the proposed research project was not only an academic research project but also constituted part of the major tasks of the host organisation.

> "…this project addresses a demand from Daimler A.G., our manufacturer, and must be treated as the top priority project in our organisation with the necessary resource support...it will be part of our daily activities…"

Based on the results of a simple balanced scorecard approach, the organisation developed blended learning training programmes to enhance sales performance. Daimler A.G. the principal company suggested several tools like the scorecard tool, the sales funnel and the monthly reports that could be used as part of the performance measurement and management system. It was important that the final suggested tailored model or framework for managing and measuring sales performance would not only informed by current theories and practices but should be aligned with the directivities, needs and instructions of the principal.

Based on these reports the decision to develop this project was taken, as the management team had identified several different reports, which were required by the principal without any clear connection of the strategic objectives and the action plans of the organisation. In addition, these reports were not communicated in a structured way to the involved management staff. Many of them had been typical reports without supporting management decisions. To quote one of the management team members the following excerpt is included:

> "We feel "blind" about our performance…We did not have any idea what is happening in our business"
>
> Management team 2

Priorities set in organisation tasks during the face of the global financial crisis had changed. The financial crisis changed thinking about the organisational goals and strategies in light of the current situations. Based on the experiences of this financial downturn, a variety of factors had to be taken into consideration to effectively deal with the situation, factors that were not taken into consideration before. The company had a lot of pressure from the Board of Directors, the General Manager and from Daimler A.G, the manufacturer, for daily reporting about a realistic picture of the organisation's financial situation. During this period, the first priority was to examine the feasibility of reducing expenses and to find solutions to increase our cash flow.

2.4 Implementation process

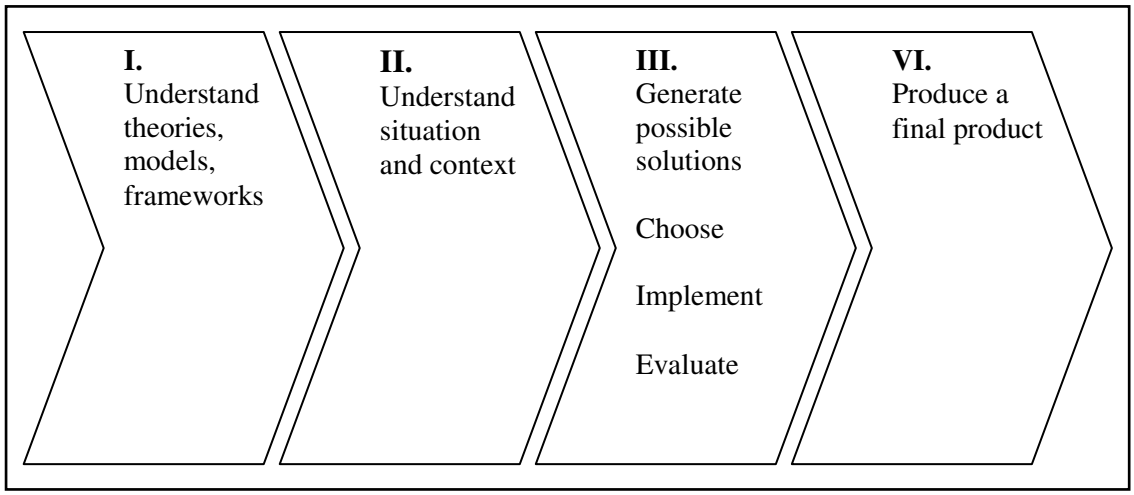
As O'Leary (2004) states, "defying well-articulated research questions are an important part of the process because it defines the project, sets boundaries, and provides directions". It was essential to ask the following research questions:

- Which are the theories, models, frameworks, and approaches of measuring and managing business performance?
- Which of these are currently used by the host company and how?
- Which of these models, frameworks and approaches can be used to manage and measure sales performance in Mercedes Benz –Cyprus in an improved way?
- Which of the existing various organisational related documents with a focus on sales performance issues can be used to manage and measure sales performance in Mercedes Benz –Cyprus?
- What are the factors needed to investigate measuring and managing sales performance in Mercedes – Benz Cyprus?
- Who will be involved in the procedure of measuring and managing the sales performance in Mercedes – Benz Cyprus?

- What will be the scope and format of the outcome of this research so that it will be used as performance monitoring and measuring system?
- How the process of deriving the proposed performance monitoring and management system may be used by other organisations apart from Mercedes Benz Cyprus?

Based on these research questions, the following research steps were followed (Figure 2:6).

Figure 2:6. Research steps



In this research project, most of the information gathered were qualitative nature from four main resources the literature review, the existing documentary analysis, the focus groups and interviews with the involved stakeholder managers, middle managers and salesmen. Additionally, from the existing documentary analysis measuring customer satisfaction several approaches (questionnaires, interviews, marketing researches) were taken into consideration in analysing customer perspectives. Neely, et al. (2000) describe as an essential step towards a measurement system development process the identification of strategic objectives taking into consideration all stakeholders including customers, employees, management, and suppliers.

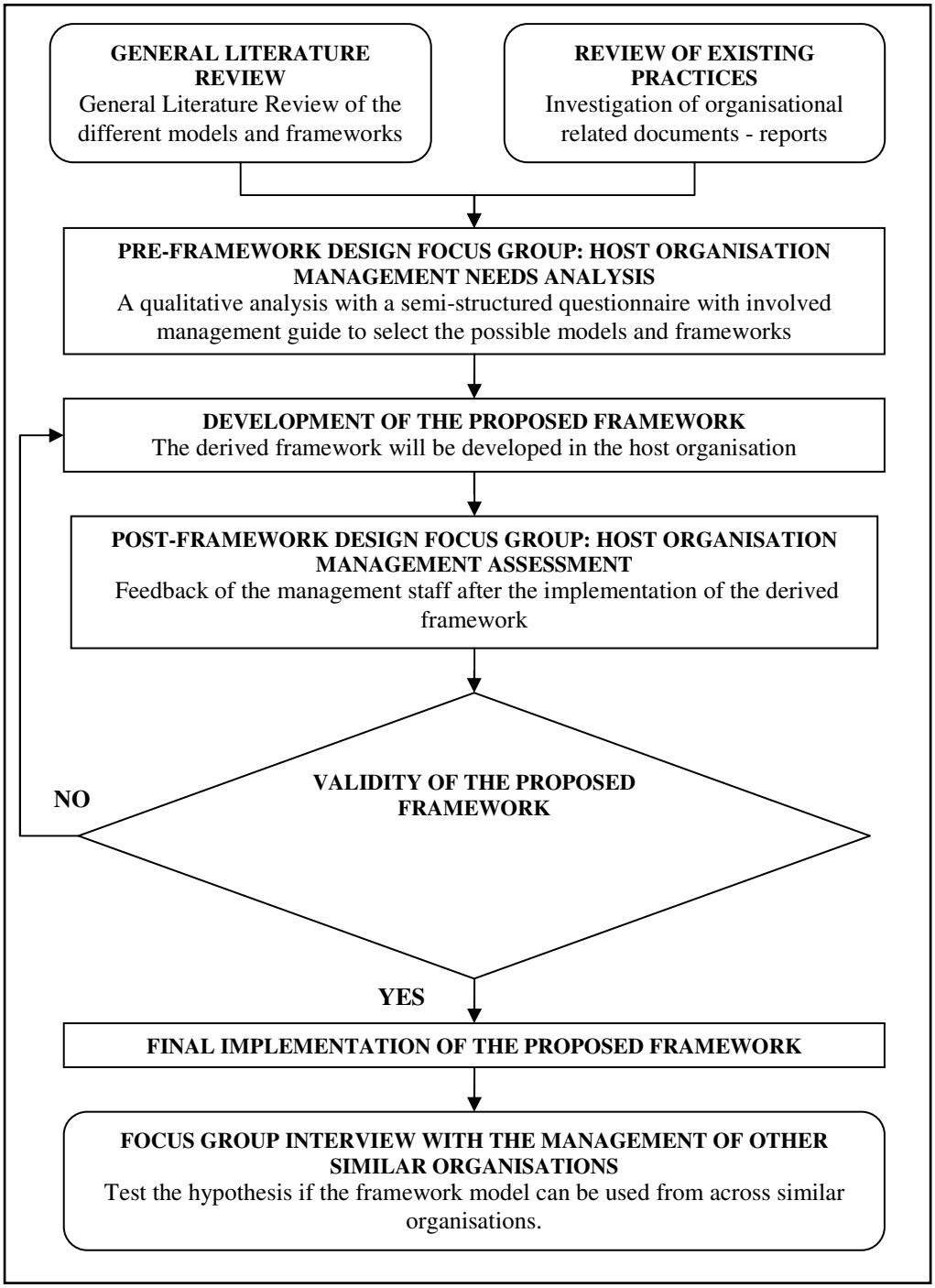
Table 2:1 describes the implementation process of how this research analysis was undertaken following the above research steps with a combination of the research methodology with relevance to the required recourses and involved stakeholders.

Table 2:1: Implementation process with combination of research methodology

Research steps	Research Methodology	Data collection techniques	Required Resources	Involved People	Implementation Process
I. Understand theories, models, frameworks, and approaches.	Case Study	Literature review, Documentary Analysis, Research Diary Analysis	Academic sources, Magazines, newspaper, Research Diary	Researcher, Consultant, Adviser, Customers, Management team	Review and comparative analysis of the different models and frameworks
II. Understand situation and context in Mercedes – Benz Cyprus	Case Study	Literature review, Focus Group interviews with the management of the organisation	Academic sources, Research Diary, Organisation's reports about sales performance, Meetings with Management	Researcher, Consultant, Adviser, Director of Sales & Marketing, Branch Managers, Marketing Manager, Salesmen	Investigation of organisational related documents and reports to evaluate the existing status of sales performance. Semi-structured with the involved management of the organisation to select the possible models and frameworks.
III. Generate possible solutions Choose Produce a change plan to implement the solution. Evaluate solutions	Case Study	Literature review, Focus Group interviews with the management and salesmen of the organisation, Pilot test,	Academic sources, Research Diary, Organisation's reports about sales performance, Training, Meetings with management,	Researcher, Consultant, Adviser, Director of Sales & Marketing Branch Managers, Marketing Manager, Salesmen, Administrators , Sales Manager other similar organisations	The proposed framework will be tested for a short period of time. Evaluation of the proposed framework.
IV. Produce a final product	Case Study	Literature review Focus Group interviews with management of other organisations	Academic sources Research Diary Meeting with the management staff of other similar organisations	Researcher, Consultant, Adviser Managers other organisations	Feedback from other similar organisations Final Implementation

Based on the above research model, a detailed analysis of the implementation process was followed (Figure 2:7).

Figure 2:7. Detailed analysis of the research implementation process



The first step was the literature review provided a comprehensive review and analysis of the different models and frameworks that could be found in performance measurement literature. Furthermore, it compared the different approaches in the field of sales performance specifying and reviewed the elements and conditions that could be taken into consideration. The aim of this review was to develop a good understanding of the

models and tools available in management. It included a critical analysis of the scope, required accomplishment time, required resources, involved staff requirements and finally its flexibility for every important particular performance management model. The criteria for choosing the most suitable model or framework focused on aligning daily work with the organisation's strategic objectives. It offered a structured approach to strategic management, by setting up measurement reliable performance indicators, supporting internal and external communication, improve customer satisfaction and finally identifying strengths and areas for improvement.

Taticchi, et al. (2009) examine the evolution of the literature of research on performance measurement and management and the strengths and weaknesses of the models developed in the last twenty years. Additionally, PMMI (2006) presents an analysis with "the aim to evaluate and understanding the most accepted performance improvement models and tools available to companies and to contribute to learning in their development for an organisation". Based on these two analyses, the best known performance measurement frameworks and models were selected with the key theme to offer a partial view of business performance. These models and frameworks are the followings:

- Balanced Scorecard;
- European Foundation for Quality Management (EFQM) Excellence Model®;
- ISO 9001:2000;
- Six Sigma;
- Performance Prism;
- Tableau de Bord (France).

The second essential step in this research project was the review of existing practices through the organisation documentary analysis of existing procedures and methods, which were used for measuring and managing sales performance by the host organisation.

Based on literature review and the existing documentary analysis, it was decided to use a semi-structured questionnaire in the form of a focus group with mainly open-ended questions with the management of the organisation with the aim to select the appropriate possible models or frameworks as perceived by stakeholders. This focus group sought to capture various views of management under the perspectives of business performance and outline their expectations and potential limitations.

Stewart & Shamdasan (1990) have summarised the more common uses of focus groups to include:

> "obtaining general background information about a topic of interest; generating research hypotheses that can be submitted to further research and testing using more quantitative approaches; stimulating new ideas and creative concepts; diagnosing the potential for problems with a new program, service or product; generating impressions of products, programs, services, institutions, or other objects of interest; learning how respondents talk about the phenomenon of interest which may facilitate quantitative research tools; interpreting previously obtained qualitative results".

As part of the research project the proposed conceptual framework was tested. The aim of this test was to finalise the proposed framework, define the boundaries of the new system for measuring and managing sales performance.

A focus group discussion with the management of the organisation evaluated and finalised the key characteristics of the proposed framework that were to fulfil the conditions and limitations of the host organisation.

The final framework was established as standard procedure in the sales and marketing department of the organisation. All involved staff were trained how to use and analyse the results in the different levels.

The focus group with the management of other similar organisations tested the hypothesis which was if the suggested framework could be used from across similar organisations. Issues related to generalisation of this research were addressed.

Based on the research outcomes, an analytical manual for non-Technical business users was developed, giving them the capability to apply the conceptual framework to measurable and manageable business activities.

Based on the research implementation steps the main questions that were addressed were:

- Which of the examined models, frameworks and approaches can be used to manage and measure business performance in Mercedes Benz – Cyprus?
- Which of the examined models, frameworks and approaches already used by the host company can be used in the form of an improved model to manage and measure business performance in Mercedes-Benz Cyprus?
- What factors do we need to investigate for measuring and managing business performance in Mercedes – Benz Cyprus?
- Who will be involved in the procedure of measuring and managing the business performance metrics in Mercedes – Benz Cyprus?

- What will be the scope and format of the outcome of this research so that it will be used as a roadmap for implementing the suggested performance monitoring and measuring system?
- How will the process of deriving the proposed performance monitoring and management system be used by other organisations apart from Mercedes Benz Cyprus?

This implementation process of this research project followed a combination of research approaches and techniques. These are presented in the following chapters.

Chapter 3: Literature Review

3.1 Chapter Summary

This chapter provides the theoretical background for this research project. It is divided into the following parts. The fundamental concepts and definition of performance measurement and management; review of the existing models and frameworks for business performance measurement; a framework for selecting the appropriate model or framework for measuring business performance of a sales organisation; presentation of the important factors affecting business performance; description of the conclusions regarding the models and frameworks for measure business performance.

3.2 Introduction

Monitoring and measuring business performance has received increased attention in recent years; new reports and articles on this topic have been appearing at a rate of one every five hours every working day since 1994 (Neely, 2002). It appears that both academics and practitioners examine this topic; Neely (2002) notes that "business performance measurement is a multi-million dollar industry whose developments are rapid and it should appeal to a wide audience encompassing measurement scholars and practitioners". From the perspective of practitioners, this topic is closely related to the strategy of organisations because it assists towards setting strategic directions, establishing goals, executing decisions and monitoring organisations' state and behaviour as they move towards their goals (Taticchi, 2008).

This chapter examines and evaluates a multitude of topics that are of interest in the field of performance measurement and management with emphasis on sales performance. It focuses on investigating existing frameworks and models that have been proposed for performance measurement. Moreover, it explores the existing set of analytical and management tools that help an organisation to analyse and manage business performance.

3.3 On measurement and management of business performance

3.3.1 Fundamental concepts

Aspects related to business performance measurement and management address the fundamental strategic questions of every organisation:

- Which are the organisation's targets?
- Where do we want to take the organisation?
- Which of our goals has been achieved? How?
- Which goals have not been accomplished? Why?

Organisations entail various business processes, such as accounting, operations management, marketing, finance, etc. which are all suitable to be examined in terms of performance measurement.

Drucker (1993) describes the new business environment measurement needs:

> "…a traditional measure is not adequate for business evaluation. A primary reason why traditional measures fail to meet new business needs is that most measures are lagging indicators. The emphasis of accounting measures has been on historical statement of financial performance. They are the result of management performance, not the cause of it…"

Firms invest in Information Technology in order to improve their business performance. However, some organisations have implemented unsuccessful systems while others succeed (Shin, 2003). As Marchand, et al. (2002) state "for many years, management thinkers and practitioners have treated business performance under three broad schools, the Information Technology School, the Information Management School and the Behaviour and Control School". In practice, these different approaches have as common direction the business user who is responsible for the management and running of the business. The business user is responsible to understand and translate information to physical results which will help him to improve business performance.

The connection between the organisational configuration and properties and the organisation's information technology has a long tradition and vast literature (Burton, et al., 2002). A most common structure of information technology is vertically segregated. Different internal departments are supported from few software developers and application support staff or external companies which, as Marks (2002) states "were largely unaffected by this vertical structure". It is common that the Information Technology department tries to meet the requirements of too many groups at once, allowing the business sponsor to become a dispassionate observer instead of an actively involved leader.

The responsibility for measuring and managing business performance belongs to the business user and the data warehouse manager, Kimball, et al. (2007) state, "if a business user knows how the organisation works, he should be able to quickly find the information he is looking for and at the same time a data warehouse manager must develop a strategy that will help the user find what he needs quickly".

3.3.2 Definition of Business Performance Measurement

A performance measurement supports organisations in periodically setting targets and then providing feedback on development towards those targets. Bititci et al. (2002) describe causes for measure business performance:

> "To monitor and control; To drive improvement; to maximize the effectiveness of the improvement effort; to achieve alignment with organisational goals and objectives; to reward and to discipline"

Since a performance measurement system measures performance, it is important to define what performance is. The field of business performance measurement lacks a cohesive body of knowledge (Marr & Schiuma, 2003). Strategy management, operations management, human resources, organisational behaviour, information systems, marketing, and management accounting and control are constituted to the area of performance measurement (Neely, 1999; Marr & Schiuma, 2003; Franco-Santos & Bourne, 2005). These different views of performance measurement have generated several definitions of a BPM system, and there is little consensus regarding its main components and characteristics (Dumond, 1994). From an operations perspective (Neely et al. (1995) state that "a BPM system is mainly perceived as a set of metrics used to quantify both the efficiency and effectiveness of actions" or as Bititci et al. (1997) declare "the performance management system is a reporting process that gives feedback to employees on the outcome of actions".

Mayo & Brown (1999) state that a performance management must have the following characteristics:

> "Supportive and reliable organisation's actions, objectives, stakeholders; Driven by the customer needs and expectations; Appropriate to the internal and external environment; Developed by a combined of the management and staff process; Communicated and integrated in the organisation; Managing resources and data inputs; Commitment for a continue improvement concept; Supportive of organisation learning"

Additionally, it is the system that not only allows an organisation to cascade down its business performance measures, but also provides it with the information necessary to challenge the content and validity of the strategy (Ittner et al., 2003). From a management accounting perspective, a BPM system is considered to be synonymous with management planning and budgeting (Otley, 1999).

Simmons (2000) describes business performance measurement as a method to balance five major tensions within an organisation:

> "Balancing profit, growth and control; balancing short term results against long-term capabilities and growth opportunities; balancing performance expectations of different constituencies; balancing opportunities and attention; balancing the motives of human behaviour"

In an attempt to define business performance, Neely (2002) supports "business performance falls under four different perspectives". The financial perspective provides a means of motivation and control. The marketing perspective focuses on marketing

orientation, customer satisfaction, and brand equity. The operations management perspective is about measurement productivity, mainly perceived as a "set of metrics used to quantify both the efficiency and effectiveness of actions" (Neely et al., 1995). Lebas & Euske (2002) present a different description of performance: "doing today what will lead to measured value outcomes tomorrow".

After conducting a methodical literature review and reading over 300 documents (including journal articles, books, conference papers and working papers), Franco-Santos, et al. (2007) found that:

> "researchers need to be more specific and explicit about the characteristics of the systems they are studying"

Franco-Santos, et al. (2007) suggest five different categories of BPM system roles which they can support researchers in the process of identifying and selecting the roles of BPM systems that will be the focus of their investigations:

- "measure performance, focus on evaluation of business performance of an organisation;
- strategy management, system aims to support the roles of planning, strategy formulation, strategy implementation/execution, and focus attention/provide alignment;
- communication, BPM offers an effective internal and external communication, benchmarking and compliance with regulations;
- influence behaviour, system works as a rewarding or compensating behaviour, managing relationships and control analysis process;
- learning and improvement, that comprises the roles of feedback, double-loop learning and performance improvement".

This research project concentrated on sales performance as part of the overall business performance of an organisation. Sales management represents one of the most important functional areas of management, and all the principles of general management such, as planning, organising, direction, motivation and control are applied to sales management for securing better performance (Vashisht, 2006).

3.3.3 Definition of Conceptual Framework

Different definitions and perspectives have been expressed for analysing the meaning of the conceptual framework. A conceptual framework aims to summarise a conceptual approach to a proposal or an idea. In this project, a conceptual framework focuses on developing a step by step process for measuring and managing sales performance.

Reichel & Ramey (1987) state that conceptual framework is:

> "a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation"

According to Miles & Huberman (1994)

> "a conceptual framework explains, either graphically or in narrative form, the main things to be studied—the key factors, constructions or variables—and the presumed relationships among them"

Lambert (2008) declares that conceptual framework is:

> "the goals of a conceptual framework are to describe existing practice, secondly, to prescribe future practice; and thirdly, to define key terms and fundamentals issues"

Jabareen (2009) defines a conceptual framework as

> "a network, or 'plane', of interlinked concepts that constitute a conceptual framework-specific philosophy"

The main features of the conceptual framework are as follows:

- A conceptual framework is a combination of different concepts. According to Miles & Huberman (1994), it "lays out the key factors, constructs, or variables, and presumes relationships among them";
- A conceptual framework does not provide knowledge of 'hard facts' but, rather, "soft interpretation of intentions" (Levering, 2002);
- Conceptual frameworks can be developed and constructed through a process of qualitative analysis (Jabareen, 2009);
- Conceptual framework analysis generates theories or conceptual framework from multidisciplinary bodies of knowledge, a systematic synthesis of the findings across qualitative studies, it seeks to generate new interpretations for which there is a consensus within a particular field of study (Jensen & Allen, 1996; Nelson, 2006).

Building a conceptual framework for managing sales performance must begin with the extensive review of the data which effectively represents the cultural, political and social phenomena on the phenomenon under study. The data should derive from books, articles, newspapers, essays, interviews, and existing practices. After the analysis of the significant concepts, the next step is to synthesise them into a theoretical framework. The proposed framework and its concepts must be validated with the practitioners, the involved stakeholders and academic feedback in order to present a reasonable theory for an academic and practitioner purpose. The final conceptual framework is dynamic and may be revised according to new comments, literature and so on.

3.4 Models and frameworks for business performance measurement

In this section, we review existing frameworks and models that have been proposed so far, in relation to performance measurement. It is interesting first of all to define the difference between a framework and a model. According to Kellen (2003) "frameworks are approaches to measurement that businesses frequently adopt, often with significant variety in their design and use and reference models are more precise standards, normally about specific performance metrics and related business processes, adopted by an industry or by a common functional unit".

The design of any performance-measurement system should reflect the basic operating assumptions of the organisation it supports (Shaw, 1995).

If procedures change and the measurement system does not mirror them, then it will soon become obsolete. Many academics and practitioners have examined aspects related to the development of frameworks and models to identify measure and manage performance indicators in an organisation and, in doing so, to enhance the alignment between business strategies and business processes.

The choice of performance measures is one of the most critical challenges facing organisations (Knight, 1998). The approaches and tools aim to:

- Align daily work to the organisation's strategic objectives;
- Establish winning performance indicators;
- Support enterprises and employees become more effective;
- Sustain customer satisfaction at all times;
- Support internal and external communication.

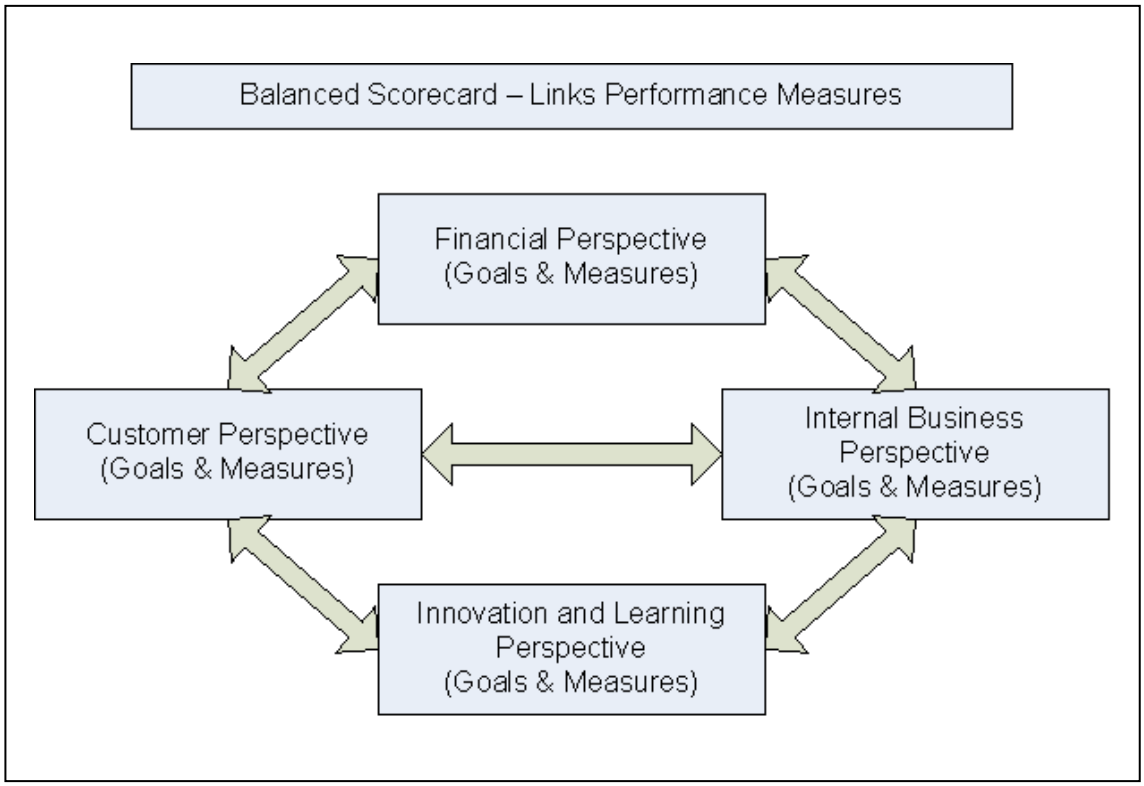
The following review of the different models and frameworks for measuring and managing performance help stakeholders to decide on the approach that would best suit their organisation.

3.4.1 Balanced Scorecard Framework

The Balanced Scorecard (BSC) approach is a method widely utilised in various organisational settings. Introduced by Robert S. Kaplan and David P. Norton in 1992, Rohm & Halbach (2005) states that "developing and implementing a balanced scorecard system is more about changing hearts and minds and sustaining new directions, rather than is about selecting key performance measures and buying and putting in operation Balanced Scorecard software with an intelligent reporting analysis tool". The Balanced Scorecard is an all-round performance evaluation system, and is one of the emerging tools of strategic management (Pineno, 2002). It is often viewed as an attempt to

translate strategy into action and it proposes measuring enterprise performance under four different perspectives, as shown in figure 3:1.

Figure 3:1. Balanced Scorecard Perspectives (Kaplan & Norton, 1992)



The Financial Perspective links the financial objectives of the corporate strategy of an organisation. It focuses on profitability related measures such as return on capital, return on equity, return on sales etc. (Kaplan & Norton, 1992). These figures are provided by the accounting department of the organisation, based on the accounting standards.

The Customer Perspective examines aspects related to customers' perceptions, that is, how an organisation's mission and strategy is translated into specific objectives about targeted customers and market segments. These core measures include measures such as customer complaints, customer satisfaction, delivery time, and the measurements are derived from customer surveys (Kaplan, 1997)

The Innovation and Learning Perspective on the Balanced Scorecard expands objectives and measures related to organisational learning and growth with respect to employees, systems and organisational alignment.

The Internal Business Perspective focuses on all actions and key processes necessary for delivering the value expected by the customers in a productive and efficient way and in doing so to prioritise research, design and development processes and examine important operations process measures such as cost, quality, time, and performance characteristics.

The BSC is also used as a communication tool between the management of an organisation connecting strategy and performance for the organisational stakeholders as described below by Atkinson & Epstein (2000):

> "as managers learn to manage with a dashboard of new dials, they will align themselves, and their organisations, behind their organisation–wide strategies with a precision they have never before experienced. They will position themselves to generate the profitability and demonstrate the accountability demanded by customers, shareholders, employees, and the communities around them"

Neely et al. (2001) state that the crucial factor for an efficient BSC implementation is based on the way it integrates different classes of organisational performance – financial and non-financial, internal and external.

Rohm & Halbach (2005) suggest the following nine steps, as shown in figure 3:2 for building and implementing a Balanced Scorecard approach.

- "An assessment of the organisation's foundations.
- Development of overall business strategy. The strategic objectives of the organisation are defined by the management team with main focus on customer needs and expectations;
- Decomposition of business strategy into smaller components. Based on the previous steps the strategic objectives are categorised following criteria of importance and strategic themes;
- Development of a Strategic Map of the organisation. This map is formalised the sources and outcomes of the strategic objectives showing how the organisation will achieve its targets;
- New initiatives are identified. The Strategic Map is used for establishing the derived key performance measures and their target levels;
- Automating with analysing software the Balanced Scorecard. It follows the implementation process of an intelligent reporting tool with the aim to get accurate results in proper time;
- Cascading the corporate scorecard throughout the organisation. The overall balanced scorecard is distributed into the different business units of the organisation;
- Evaluating the success of chosen business strategies".

Figure 3:2. The Balanced Scorecard Institute's 9 step framework (Rohm & Halbach, 2005)

Hudson et al. (2001) outlined that "there is the lack of integration between the director levelstaff, strategic scorecard and operational level measures with the line managers making the development of strategy problematic". Atkinson & Epstein (2000) note that "performance measures of the balanced scorecard approach must be complete, measurable, and controllable". If any of these criteria is absent, the measures will not link to employee's daily operations (Inamdar, et al., 2000). Bourne (2002) criticisms balanced scorecard regarding that "people and suppliers are excluded and regulators and competitors are ignored or that environmental and community or social issues are absent".

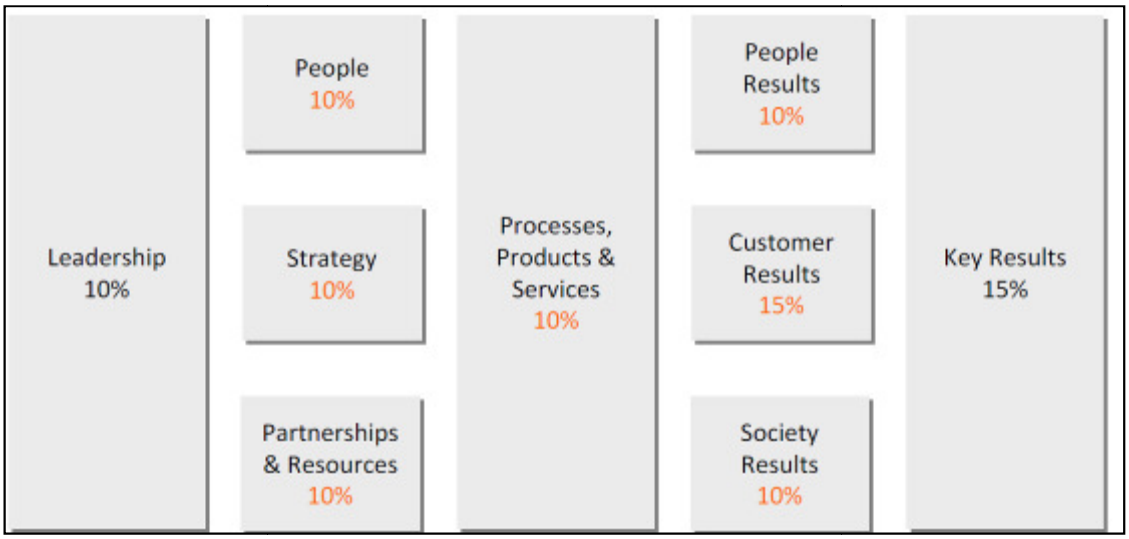
3.4.2 European Foundation for Quality Management (EFQM) Excellence Model®

The European Foundation for Quality Management Model (EFQM) is widely recognised as a wide-ranging organisational development and improvement framework used to assess strengths and weakness areas across the organisation's processes and actions. The EFQM model has been used in different purposes as a tool for efficient performance management (Wongrassamee et al., 2003), as a self-assessment tool (Tari, 2006), as a support framework for a teamwork development (Castka et al., 2003), as an integrated system (Davies, 2008), and for analysing benchmarking (Castka et al., 2004).

Among them, self-assessment is considered as one of the most interesting topics for both researchers and companies implementing the EFQM model (Hillman, 1994; Samuelsson & Nilsson, 2002; Black & Crumley, 1997). A self-assessment process following in the implementation process of the EFQM Excellence Model provides an objective, overall assessment of an organisation's areas of development (Black & Crumley, 1997). The EFQM model covers all management activities composed of input, process, and output (Black & Crumley, 1997; Seghezzi, 2001). The purpose of the EFQM model is to support organisations to accomplish business excellence through continuous improvement and deployment of processes (Andersen et al., 2003).

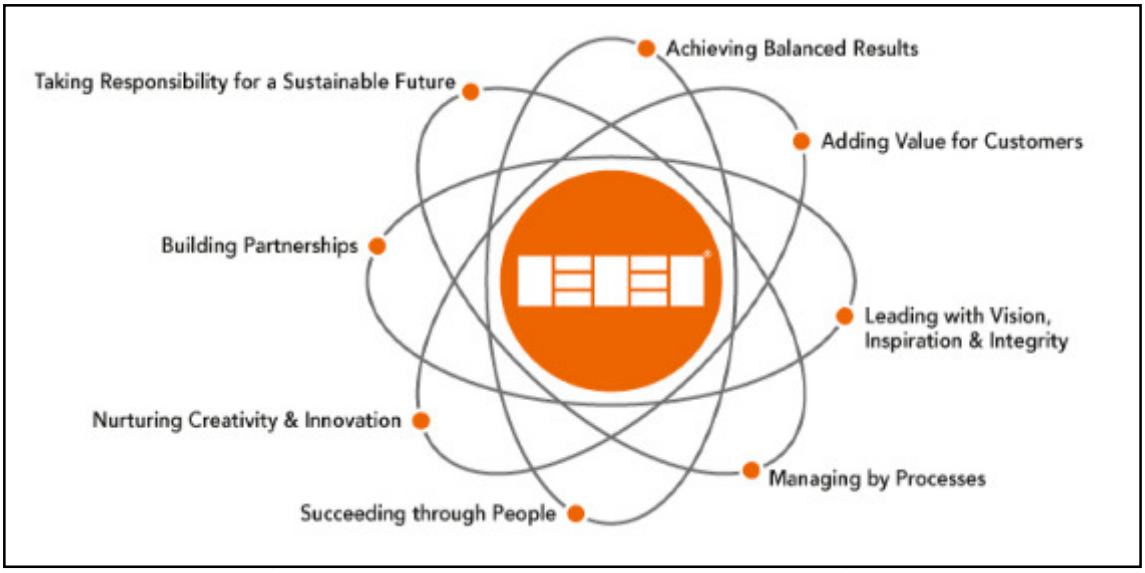
The model is divided into two areas, five "enablers" and four "results" with a specific criterion weights for each element if an organisation wants to achieve "Excellence" as shown figure 3:3.

Figure 3:3. The EFQM Excellence Model 2010 (Gemoets, 2010)



The eight fundamental concepts of this model as shown figure 3:4 are positioned as the electrons orbiting around a nucleus with RADAR.

Figure 3:4. Fundamental Concepts (Gemoets, 2010)



Questionnaires based upon the Model and workshop approach can be used across the organisation on how the nine criteria are being met. Once these self-assessment exercises have been initiated, the organisation can take action to improve its performance.

One of the major disadvantages of the EFQM model is that there is missing methods for identifying problems that effect from organisational weaknesses (Rusjan, 2005). Svensson & Klefsjo (2006) state that "if the company has not achieved the required maturity level, it is most likely a waste of resources to develop a comprehensive self-assessment project". Hides et al. (2004) warn that "the EFQM Excellence Model needs time for developing business performance makes it inappropriate for immediate results", on the other hand, Karapetrovic & Willborn (2001) "connect the selection of the self-assessment approach to the level of maturity of an organisation and the intensity of effort invested in the self-assessment". Li & Yang (2003) state that "although the existing process of the EFQM model has been extensively accepted by both academics and practitioners as a self-assessment approach, many researchers established that organisations have faced several issues applying the model as the methods criteria are too generally defined". Black & Crumley (1997) state that "if an organisation develops a system to assess itself using this model, it will necessarily create a broad range of improvement issues". Hides et al. (2004) claim that "the self-assessment process is depended upon good data collection" and Karapetrovic & Willborn (2001) highlight "the reliability and completeness of the collected data as a possible downside for self-assessments". Self-assessment process is a complicated process with necessary support

of external consultants for accurate results helping to identify its strong areas as well as areas for improvement.

3.4.3 ISO 9001:2000

The literature review indicated that Quality has focused to extend to all parts of the business. Quality must be a vital part of the method the business is managed and requires very strong, cross-functional leadership at the highest levels in the company (Cobb, 2003). The technique to involve all parts of the business is the Total Quality Management (TQM). To illustrate this point, Hakes (1991) recognised "TQM is a philosophy of management that strives to make the best use of all available resources and opportunities by constant improvement".

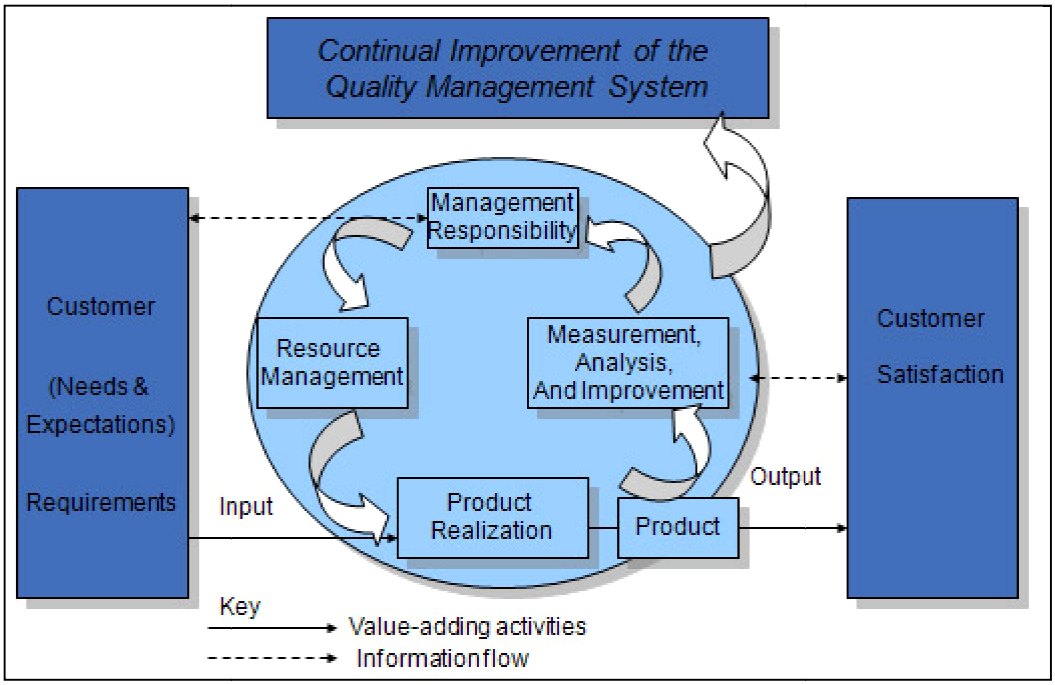
An international tool for implementing the TQM is the ISO. Organisations can use ISO as a model in designing their management systems (Hoyle, 2005). Delnista (1999) defined ISO 9000 as:

> "A family of standards for the development of good management practices via the development of consistently good quality products. It has four basic steps: Say what you do; Do what you say; Record what is done. ; Improve, based on the results"

It can be divided into five stages, planning (plan), documentation (do), verification and validation (check), deployment (act) and continuous improvement (Nanda, 2005). An average time to implement the quality management system ISO 9000 series is reported to be between 12 to 16 months (Brown et al., 1998). Once a quality system is in place and established, the organisation can seek an independent assessment by an internationally recognised accreditation body.

ISO 9001 series enhances customer satisfaction by meeting customer requirements with a process-based quality management system as figure 3:5 illustrates.

Figure 3:5. Model of process-based quality management (Grimes, 2003)



One of the most important sections of this quality management system is the measurement, analysis and improvement. It demands continuous improvement and the establishment of measurable goals.

Biazzo & Bernardi (2003) declare that ISO 9001:2000 has the following eight quality management principles:

- "customer-focused organisations;
- leadership;
- involvement of people;
- process approach;
- system approach to management;
- continual improvement;
- factual approach to decision-making; and
- mutually beneficial supplier relationships".

Schlickman (2003) states that "ISO 9001:2000 requirements are designed to create continual improvement". As Tricker & Lucas (2005) documented, "ISO 9001:2000 is flexible enough to fit any sort of organisation". This flexibility is connected with the loop of the continual improvement. Careful selection of measures and proper collection of data provide a basis for continual process improvement (West & Cianfrani, 2004).

It emphasises on the measurement and monitoring of several key performance indicators. It assumes that organisations have clearly defined business objectives and that they have a method for tracking changes that will guide to continuous improvement

(Zuckerman, 2001). ISO 9000 standards also demand that the organisation continually improves the effectiveness of the quality management system through the use of the firm's policy on quality, quality objectives, audit results, the analysis of data, corrective and preventive actions and management review (Hoyle, 2001). There are many barriers in the implementation processes of ISO 9000 standards. According to Calingo et al., (1995) the following main issues are important:

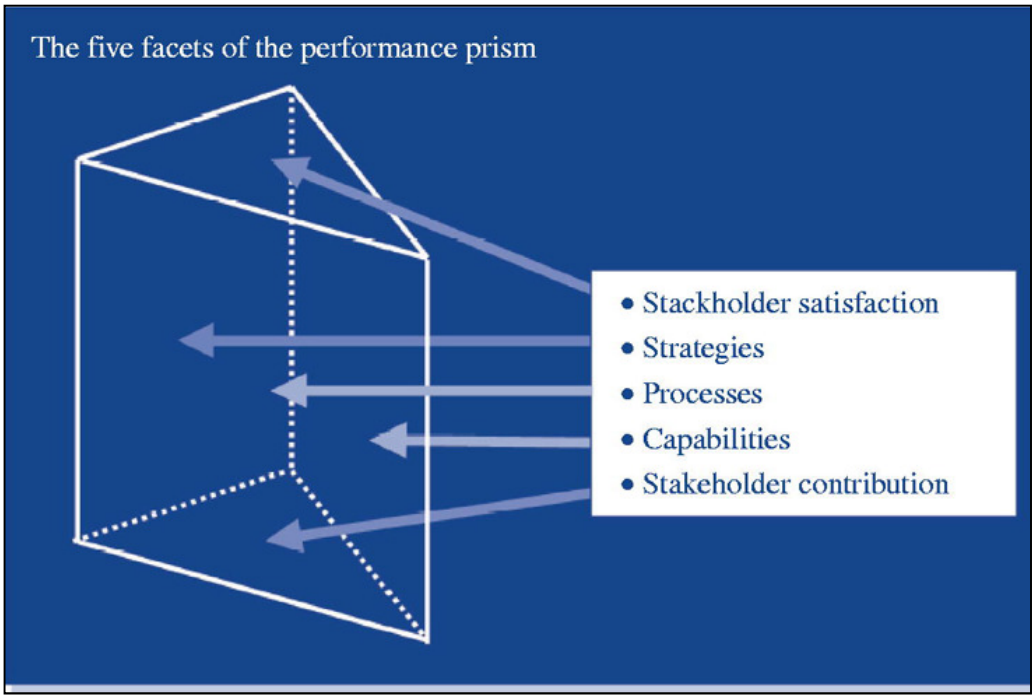
- "Lack of top management support and commitment;
- Employee resistance change;
- Lack of understanding of ISO 9000 system;
- Constraints on resources (manpower, time, finance);
- Lack of training and education of employees;
- Unclear benefits of obtaining certification".

Some researchers query on the effectiveness of the ISO 9000 series quality management system. Terziovski et al. (2003) established that "ISO 9000 certification did not have an extensively helpful relationship with organisational performance". Yeung et al. (2003) claimed that "senior executives' incorrect understanding of ISO 9000 and attitudes of the international standards are the main cause of the ineffectiveness of ISO 9000 implementation". ISO 9000 certification does not promise quality of products and services, but rather it provides an assurance to customers that the organisation has conformed to an international standard (Brunsson et al., 2000). Juran (1999) has predicted that "many companies in Europe will get registered in ISO 9000 but this alone will not enable them to attain world-class economy". Brown & Wiele (1998) found that "lack of commitment from employees and managers is the most frequently mentioned problem faced by Small to Medium Enterprises (SMEs) in implementing ISO certification".

3.4.4 The Performance Prism

The Performance Prism was developed by the Centre for Business Performance at Cranfield School of Management, in cooperation with Accenture Company. The Performance Prism, as a prism, illustrates the hidden colours of the light it shows the complexity of performance measurement and management. Neely, et al. (2001) described how the Performance Prism consists of five interrelated facets as shown figure 3:6

Figure 3:6. The Five Facets of the Performance Prism (Neely, et al. 2001)



Neely, et al. (2001) described these five facets:

- "Stakeholders satisfaction including employees, suppliers and community;
- Strategies to ensure that the wants and needs of the stakeholders are satisfied;
- Processes in order to allow strategies to be delivered;
- Capabilities of people, practices, technology and infrastructure that together enable execution of the organisation's business processes;
- Stakeholders contributing to the organisation".

The model is using strategy maps identifying the objectives and drivers of performance which are developed in management workshops. Neely (2002) found that "the Performance Prism offers a balanced picture of the business focus on highlighting external and internal measures, as well as enabling financial and non-financial measures and measures of efficiency and effectiveness". It involves strategies to processes and to procedures; the Performance Prism might develop a comprehensive and wide-angle view that other business performance measurement frameworks lack (Adams & Neely, 2000).

However, as Medori & Steeple (2000) state "little guidance is provided on how the suitable measures can be developed, defined and ultimately used to improve the business performance of the organisation". It does not present any methods to identify key performance indicators, nor does it explicitly integrate the concept of continuous improvement (Ghalayini et al., 1997). Additionally, as the Performance Prism focusses on the process of developing the suitable strategies that improve performance, it leans to

ignore issues such as how the performance measures are to be implemented; therefore, less attention is given to the process of designing the system (Tangen, 2004). Another limitation is that little or no consideration is given to the existing performance measurement activities that companies may have in place (Medori & Steeple, 2000). Furthermore, Performance Prism has been developed recently and there is limited experience in using it in different organisations.

3.4.5 Six Sigma

Six Sigma is a recent quality improvement initiative that has gained popularity and acceptance in many industries around the globe (Jiju, et al, 2005). Six Sigma is named after the process that has six standard deviations on each side of the specification window (Chen et al., 2007). Wyper & Harrison (2000) interpreted Six Sigma as "a useful management philosophy and problem-solving methodology that is a direct extension of Total Quality Management (TQM)". It is a disciplined methodology with a statistical focus for process improvement. Six Sigma uses statistical techniques presents a structured and methodical method to process improvement, and aims to reduce defect rate of 3.4 defects for very million opportunities, or Six Sigma (Brady & Allen, 2006). It has different steps, which have a number of corresponding tools and techniques such as statistical process control, design of experiments and response surface methodology, supporting the management of an organisation with necessary techniques for measuring analysing and improving their crucial processes (Keller, 2005). Additionally, Six Sigma suggested as a framework that connects many fundamental quality approaches with high-level management support (Henderson & Evans, 2000).

The basic values of the Six-Sigma approach, which is finally a managerial decision-making tool, include:

- line-up crucial processes and customer needs with the organisation's strategic aims;
- a recognition of company's staff who can lead projects for improvement, following the staff, gathering required resources and supporting management staff to implementing necessary changes;
- a recommendation of standard method for measuring and analysing business performance of the organisation;
- An establishment of proper key performance indicators that focus on continual improvement;

- a provision for the management staff extensive six-sigma and project management training; (Evans & Lindsay, 2005; Johnson, 2006).

Six Sigma has its own limitations. Hammer & Goding (2001) state that "Six Sigma has been the target of criticism and controversy in the quality community characterising it as Total Quality Management on Steroid". It has shown that it is not offering any new and it simply repackages traditional principles and techniques related to quality (Catherwood, 2002). Swinney (2005) states that "news keep cropping up about the efficacy of the Six Sigma business strategy from its critics, as a management fad – a fashion that sweeps the world with great excitement for a brief period of time, usually less than a year, and then disappears".

3.4.6 Tableau de Bord (France)

Tableau de Bord was developed by process engineers in order to improve the internal processes and control the performance (Epstein & Manazoni, 1998). It was used by larger organisations in France; due to the limited availability of translated literature it had a minimal overseas diffusion (Bontis et al., 1999).

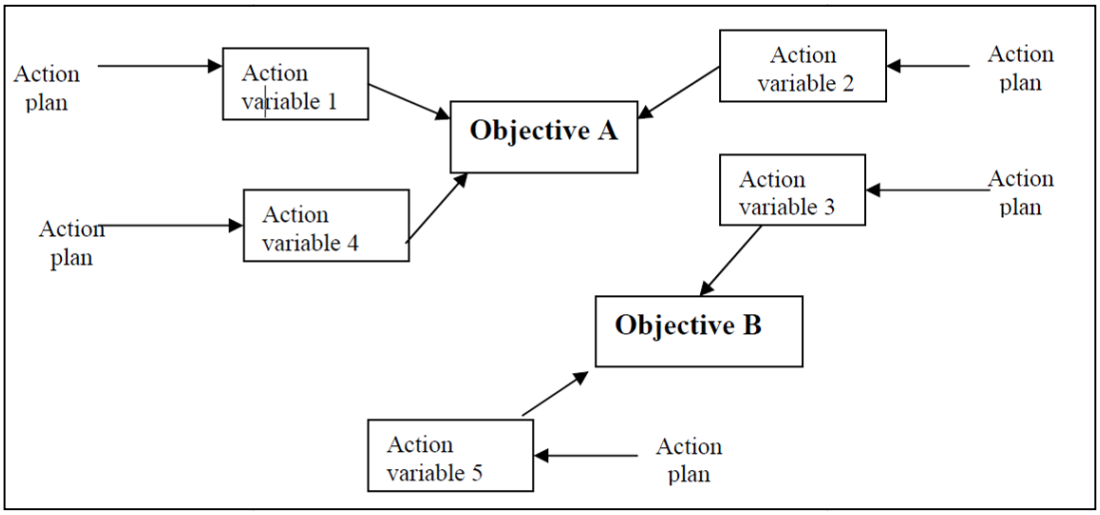
The main aim of the Tableau de Bord focuses on converting the vision and mission of an organisation into a set of objective targets, from which each unit identifies its Key Success Factors (KSFs), which are transformed into a series of quantitative Key Performance Indicators (KPIs) (Kanji, 2002). Furthermore, it emphasises on financial measures that often focus internally from inside the organisation rather than externally from customers.

As defined from the translation by De Guerny et al. (1990) a Tableau de Bord has the following primary characteristics:

- "It is straightforward and can therefore be implemented in short time;
- It focus on main key items of information, which represents the specific area of responsibility and does not attempt to provide answers to all possible questions;
- It mainly provides information about the status of processes in the operational areas (such as Sales or Production), and about the purely financial aspects that are regarded as the results of these operational activities;
- It makes the information rapidly accessible based on the specific demand of a decision maker and also outside the frequency and periodicity of accounting".

According to Bourguignon et al. (2004) (figure 3:7), the Tableau de Bord is based on the premise of existence of the causal relationships between strategic action variable and strategic objective enacted by the correspondent strategic plan.

Figure 3:7. Relation between objectives, action variables and action plans (Bourguignon, et al. 2004)



For example, a sales organisation has the objective to increase the sales. It can be achieved with a special marketing programme (an action plan) by ensuring greater loyalty of the customers (action variable). The choice of the action variables and plans are generated by the managers of the departments and business subunits, based on the strategic policy from the top management.

Lardenoije et al. (2005) state that "the crucial disadvantage perhaps of the Tableau de Bord is its undefined structure which affects to lack of established performance areas". Management staff does not have the ability to think and plan strategically if the crucial performance areas are not predefined supporting to find the necessary key performance indicators for measuring and managing business performance.

3.5 Selecting the appropriate model or framework for measuring business performance for a sales organisation

The objective of selecting the appropriate model framework would enable the sales organisation to quickly and effectively select metrics that support sales objectives, strategy and goals. The selected framework or model would:

- Expand a deeper understanding of the factors of sales productivity;
- Develop a common understanding for monitoring and improving performance;
- Recognise sales performance from a variety of perspectives.

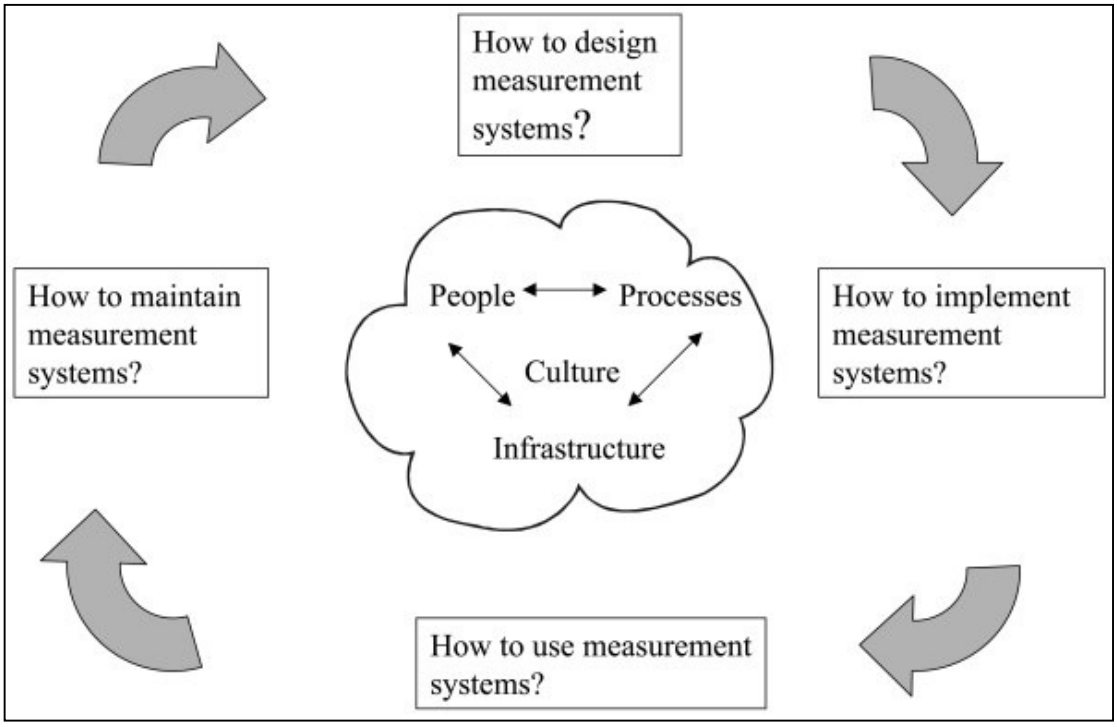
As Neely et al. (2003) analysed – to gain real value from measuring business performance need to address the challenges of the third generation approaches, namely:

- "Models or frameworks must reflect the static and dynamic realities of organisations but at the same time not lose appropriateness as a managerial tool;

- We must move from data to information and must provide rigorous information especially for the intangible value drivers in organisations;
- The models must be practical and aligned with other organisational processes in order to allow actions to be taken;
- And the most fundamental of all, we must seek increasingly robust ways of demonstrating the cash flow implications of the non-financial and intangible organisational value drivers".

Neely, et al. (2000) finalised, into four interlinked themes of measurement system design, "implementation, use and on-going management, and the people, processes, infrastructure and culture issues associated with them" (figure 3:8).

Figure 3:8. Measuring business performance: emerging research themes (Neely, et al. 2000)



The starting point for any selection process has to be the recognition that the different models and frameworks for measuring business performance have different strengths and weaknesses.

The criteria for selecting the appropriate model or framework focus on:

- the alignment of the working procedures to the organisation's strategic aims;
- An established method for strategic management;
- a structured set of effective key performance indicators;
- support internal and external communication;
- improving customer satisfaction and recognise potential areas for improvement.

PMMI (2006) suggests a framework to support the selection of the appropriate model or framework based on existing literature and the purposes and elements of a sales organisation. This framework uses the following assessment criteria; each of them addressed specific questions for every different model or framework:

- Scope: What is the aim? To change and improve?
- Time: What is the time frame for implementing the change?
- Resources: What resources are available or are needed?
- Staff involvement: How deep is staff involve in the changes?
- Flexibility: Does the performance measurement system remains integrated, efficient and effective at all times?

Addressing these criteria for every different model or framework as present in Table 3:1 allows organisations to develop their awareness and understanding of selecting or extending the appropriate model of framework for measuring business performance in an organisation. Otley (1980) states that there is no commonly appropriate performance measurement system, which applies equally to all organisation in all conditions. An organisation develops its strategy based on the external environment influences in which the type of performance measurement is used (Young et al., 1991).

A performance measurement system should comprise the following characteristics:

- It should include an effective mechanism for reviewing and revising targets and procedures (Ghalayini & Noble, 1996);
- It should include a process for developing individual measures as performance and conditions change (Maskell, 1989);
- It should include a process for periodically reviewing and improving the complete set of Key Performance Indicators in use (Wisner & Fawcett, 1991);
- It is should be dynamic and continue to reflect the issues of importance to the business (Lynch & Cross, 1991).

Table 3:1. Selecting an appropriate model or framework for measuring business performance

Performance Models	Scope	Time	Resources	Staff involvement	Flexibility
Balanced Scorecard Framework	The Balanced Scorecard is a holistic model that can be used at various levels across the organisation, service, team or group.	Four to six weeks of implementation, depending on level of measurement in place	Low resource investment – often just facilitation costs and staff time. It can be used at all levels with minimal resource implications for implementing.	Inclusive if scorecards are cascaded and widely deployed	It integrates different classes of organisational performance – financial and non-financial, internal and external.
European Foundation for Quality Management (EFQM) Excellence Model®	Holistic self assessment model	Approximately six weeks	Essential external expert support	Fully inclusive. Workshops approach can be used across the organisation	Long-term nature of the EFQM link flexibility to the level of maturity
ISO 9001:2000	An international tool for implementing the TQM	Implementation to assessment takes approx. six to nine months	Internal expert is essential to maintain and improve the QMS. External auditor organisation is vital to be used.	Inclusive of staff in the areas of activity being improved. Lack of commitment is the most frequently mentioned problem	Flexibility of ISO 9001:2000 is connected to the loop of the continual improvement.
Performance Prism	Focus on analysis of stakeholders needs	Approx. 6 months to implement depending on strategies and performance measures in place	Several management workshops are necessary	Considers the wants and needs of all the organisation's stakeholders.	It achieves a comprehensive ness and wide-angle view
Six Sigma	Statistical focus for process improvement	Small companies might have a more difficult time to effectively implement Six Sigma. It will normally take three to nine months	Consultancy requirement	This model focuses on making improvements in the area of customer satisfaction	Dynamic operational capabilities with consultancy support
Tableau de Bord (France)	The majority of the large companies in France was using it. translating the vision and mission into a set of objectives	It is simple and can therefore be 'installed' relatively quickly.	Low resource investment	Support management to share responsibilities	It primarily provides information about the operational areas less about the purely financial aspects

3.6 Factors affecting business performance

Business performance depends on a number of factors which are addressed in the sequel. Ghalayini et al. (1997) identify contextual factors such as culture, size, technology and external environment are closely related to an effective and successful performance measurement model or framework. Tatikonda & Tatikonda (1998) note that "performance measurement is an integral part of management control systems where

management control is a process through which management ensures resources are obtained and used efficiently and effectively in accomplishing organisational goals".

The literature has done much to clarify the influence of culture on performance (Cameron et al., 1999). Cummings & Worley (1997) define culture as "a means to promote coordination of a variety of tasks, serve as a method for socialising and developing people, and establish methods for moving information around the organisation". It is significant to develop a culture that accepts performance measurement as a tool for improvement. It requires communication through trainings and leadership to demonstrate those measurements that are being used to help the organisation and the people within it to gain knowledge and to support improvement.

Business ethics is another essential factor of the performance concept of an organisation. The implementation and development of any performance model or framework should, therefore, be motivated by ethics. Ethics concerns human duty and the principles which this duty is based on (Thompson & Strickland, 2002). As cited by Hubert (2005), Steve Jobs, CEO of Apple Computer stated the following about such communication:

> "I believe strongly in open communication within the firm. All employees ought to have complete access to almost all information in the company, including other employees' salaries. Only then employees will understand the entire master plan and only then the firm will be able to take effective decisions that are in line with the company's values"

Another important factor on sales performance is training and development (Christiansen et al., 1996), "it is a vital component for both and ongoing of the sales representative". Many organisations invest in the knowledge and experience of their people by developing several training programmes (Dubinsky, 1996; Churchill et al., 1997).

Another crucial factor for measuring sales performance is the type of strategy, Miles & Snow (1978) highlighted four different categories of company strategies (Table 3:2).

Table 3:2. Typology of Generic Strategies (Miles & Snow, 1978)

Type	Description
Prospectors	Prospectors are organisations, which almost continuously search for market opportunities, and they regularly experiment with potential responses to emerging environmental trends.
Analysers	Analysers are organisations, which operate in two types of product-market domains, one relatively stable, the other changing. In their stable areas, these organisations operate routinely and efficiently…in their more turbulent areas, (they) watch their competitors closely for new ideas, and then they rapidly adopt those which appear to be the most promising.
Defenders	Defenders are organisations which have narrow product-market domains… (and) do not tend to search outside of their domains for new opportunities.
Reactors	Reactors are organisations in which top managers frequently perceive change and uncertainty occurring in their organisational environments but are unable to respond effectively.

These different typologies of the strategy have a significant link with the selection and type of the measurements as differentiated by the organisation objectives aiming to achieve.

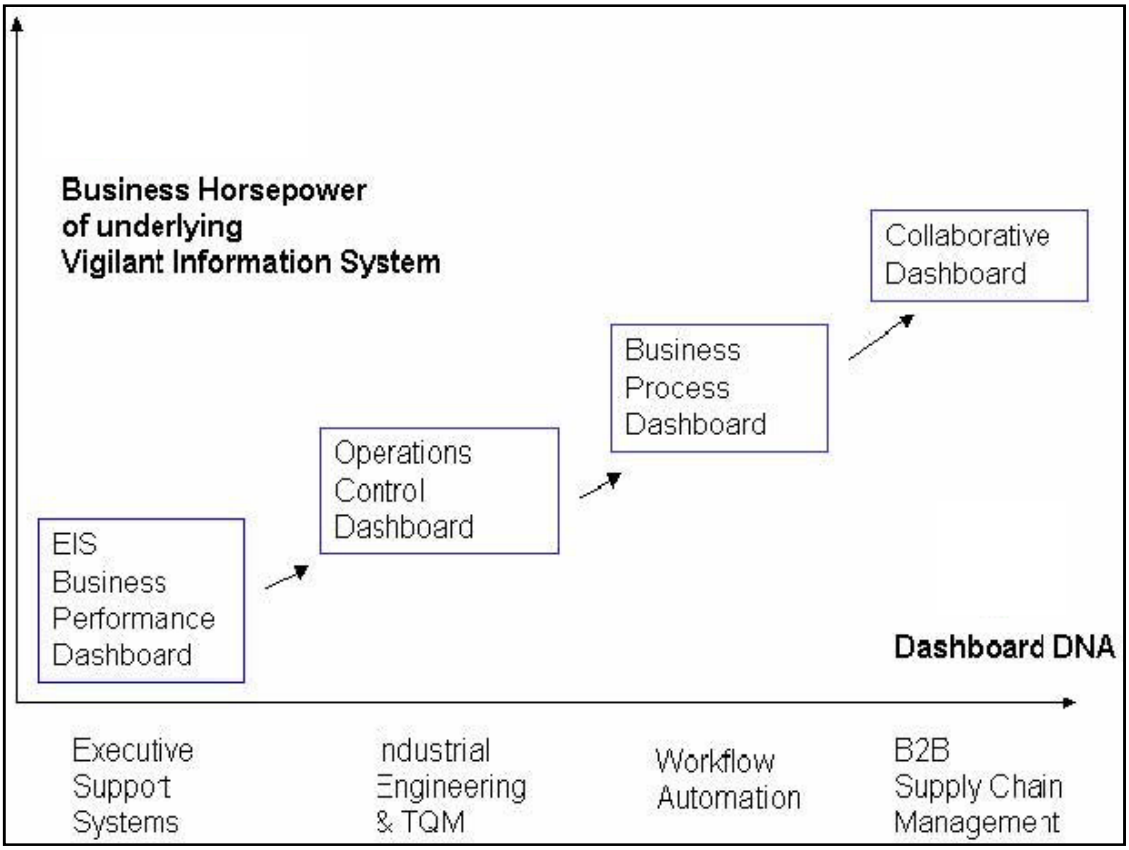
To minimise the risk and increase its competitive advantage therefore, a firm should select the strategy which concentrates on its resources and is linked to its core competencies or capabilities and must then continually analyse and reassess its strategy as the environment changes (Watson, 1993).

In the latest information technologies innovations with the internet revolution and the dramatic exponential growth computing performance are influenced most of the fields and measuring and managing business performance, as well. Enterprises offering extended products are enforced to operate in a dynamic environment, more so today than ever before. Therefore, agility in the support of business processes and decision-making is a major requirement. At large, research examining the adaptive and agile enterprise (Campbell, 1998; Davenport, 1998; Goranson, 1999; Haeckel, 1999) outlines the need for an architectural revolution that impedes agility, so that business processes are integrated, integrated outputs are composed and faster management is facilitated. Currently, the two paradigms of Information Systems support operational agility,

namely dashboard applications and systems that rely on Service Oriented Architecture (SOA).

Research on dashboard applications (Houghton et al., 2004; Nichols et al., 2009) examines how operational requirements are aligned with the design and development of such system. Depending on the underlying technological infrastructure and the specific organisational requirements, four types of dashboard applications may be distinguished as shown in figure 3:9.

Figure 3:9. Dashboard Types (Houghton et al, 2004)

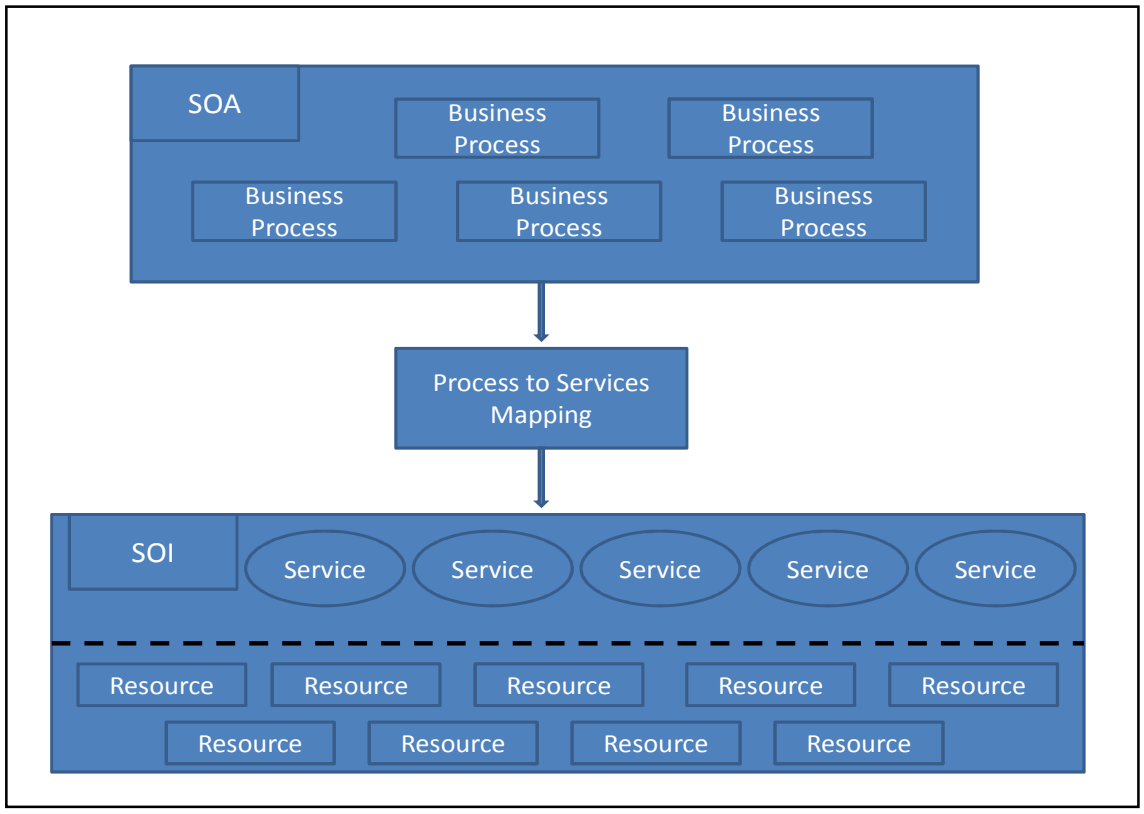


Business performance dashboards are derived from conventional executive support systems. Operations control dashboards focus on the operational performance of a specific group of users within an organisation. Business process dashboards monitor the performance of enterprise-wide transactions. Collaborative dashboards are taking under consideration the workflow requirements of transactions and enable participatory actions in an attempt to facilitate its execution.

Research on Service Oriented Architecture (SOA) has examined how cross-organisational and inter-organisational business processes may be twined to result into a Service Oriented Enterprise (Brown & Carpenter, 2004). In the SOA paradigm, standardised invocation interfaces for components are mapped to a spectrum of organisational resources including human resources, infrastructure, etc. Furthermore,

the mapping of resources to a specific service in itself is not considered static anymore, because there may be multiple resources capable of performing the required service. Under this conceptualisation, resources are no longer constrained to operate within the boundaries of a static organisational structure but are dynamically orchestrated to support the process that invokes them (Demirkan et al., 2009). Figure 3:10 depicts the generic SOA architecture as outlined in Erl (2004).

Figure 3 :10. SOA Architecture. (Demirkan et al., 2009)



3.7 Conclusions from models and frameworks for measure business performance

This chapter has highlighted clear arguments which were provided from these models and frameworks. These can be summarised as follows:

- Performance management should be integrated and involve all the key stakeholders across the organisation. It should mirror the objectives linking with the strategies of the organisation to the execution of activities which will enable their achievement.
- Processes and tools should be considered to extract and communicate insights rather than performance data. Learning and improving performance culture, reinforcing each other on a sustainable basis can be achieved through meetings and training.

- The measurement systems to develop successfully are key capabilities and responsibilities that an organisation must have in place.

Although recommendations and conceptual frameworks for performance measurement system design have been systematically defined, few are the contributions on how to transform them to a development process. Therefore, there is still a need to expand a step-by-step method for implementing a comprehensive, integrated performance measurement system.

As suggested by Neely et. al. (1997) "definition of the metrics needs to include not only their label and purpose but also the formula (or operational definition), who measures it, frequency of measurement, target value and so on". It must be investigated whether conflicting metrics have been defined through the different process of the organisation. The display of the metrics must be in a "user-friendly" basis in an available place and be updated on a standard method to reflect the existing reality of the organisation. All the "customers" of the performance measurement system have to be trained to understand and analyse the outputs in an efficient way.

A performance measurement system should be a dynamic system and must include information from the wider environment. It is recognised by the above literature review that the external and internal environment of an organisation is constantly changing. As Bititci et.al (2000) described, a dynamic performance measurement system should have:

> "an external monitoring system, which continuously monitors developments and changes in the external environment; an internal monitoring system, which continuously monitors developments and changes in the internal environment and raises warning and action signals when certain performance limits and thresholds are reached; a review system, which uses the information provided by the internal and external monitors and the objectives and priorities set by higher level systems, to decide internal objectives and priorities; an internal deployment system to deploy the revised objectives and priorities to critical parts of the system"

Measuring performance is significant only when used by the management and the shareholders as decision and extensive discussion tool. The goal of these discussions between the various managers and staff is to support them to take decisions for an efficient use of resources, in the end, to fulfil the qualitative and quantitative objectives of the organisation. Additionally, it helps employees to be motivated and to understand why to give their best.

CHAPTER 4: REVIEW OF EXISTING PRACTICES THROUGH THE ORGANISATION DOCUMENTARY ANALYSIS

4.1 Chapter Summary

This chapter summarises the outcome of investigating various organisational related documents with a focus on sales performance issues. The aim was to describe the models and approaches already used in the host company, the way they were used, their efficiency and deficiency in order to define which could still be used and incorporated in a revised, improved proposed framework which would service the evolving needs more efficiently. It analysed the important factors which influenced sales performance and were related to the culture, policy and strategy of Mercedes-Benz Cyprus. This documentary analysis guided the research to select the possible models, frameworks and management tools that can be used in the host organisation.

More specifically, the remaining of this chapter is structured as follows. 4.2 illustrates an adoption of ISO 9001:2000 at Mercedes-Benz Cyprus, 4.3 presents a case study of using blended learning methods for enhancing sales performance in Mercedes Benz Cyprus, 4.4 presents a Scorecard tool which was proposed by the principal, Daimler A.G., 4.5 illustrates the most important topics from a training for District Managers in Passenger Cars Sales worldwide which was delivered by Daimler A.G. in November 2010, 4.6 refers to the importance of monthly meetings, reports and visits to branches of the managing and measuring business performance, 4.7 presents the Sales Funnel Management tool, 4.8 demonstrates the compensation system which is used by the host organisation.

4.2 Adoption of ISO 9001:2000 at Mercedes Benz Cyprus

Since 2003, the host organisation recognised the importance of measuring and managing business performance and it implemented a quality management system ISO 9001:2000.

The system was designed to address the strategic and operational objectives of the organisation. It is an active, ongoing process. It undergoes both internal and external audits so that the performance is monitored on an on-going basis and recommendations for emerging change. The audit results are reviewed and corrective measures were followed to ensure that the continuous improvement procedures are followed. The Sales & Marketing Department assesses the level of customer satisfaction according to defined procedures, through customer questionnaires by external partners. A standard quarterly report has been established in order to measure the customer satisfaction. This

report is analysed by the Sales Management in the monthly meeting and by the Branch Managers with their salesmen. The feedback information is used for the improvement cycle of the quality management system of the organisation.

Internal quality audits are scheduled depending on the status and importance of the particular activity that undergoes auditing. Internal quality audits are carried out by personnel who have been trained as internal auditors and are independent of the activity audited. Internal audit reports are considered by the management review committee to ascertain the effectiveness, consistency and suitability of the system for the operation's needs.

Moreover, they help to assess the effectiveness of corrective action. The intent of this system is to establish inspection and test mechanisms that enable the organisation to determine whether the service received by the customer and the product or service finally delivered conforms to specified service requirements. It is supported by applicable operating procedures that not only define the processing specifications but also the inspections that have to be carried out at every stage of the process.

The most significant advantage of the implementation of the ISO in the host organisation was supported to improve internal procedures and increase in overall image of the company and services it sells. However it wasn't offered a flexible tool for measuring managing the performance of the organisation.

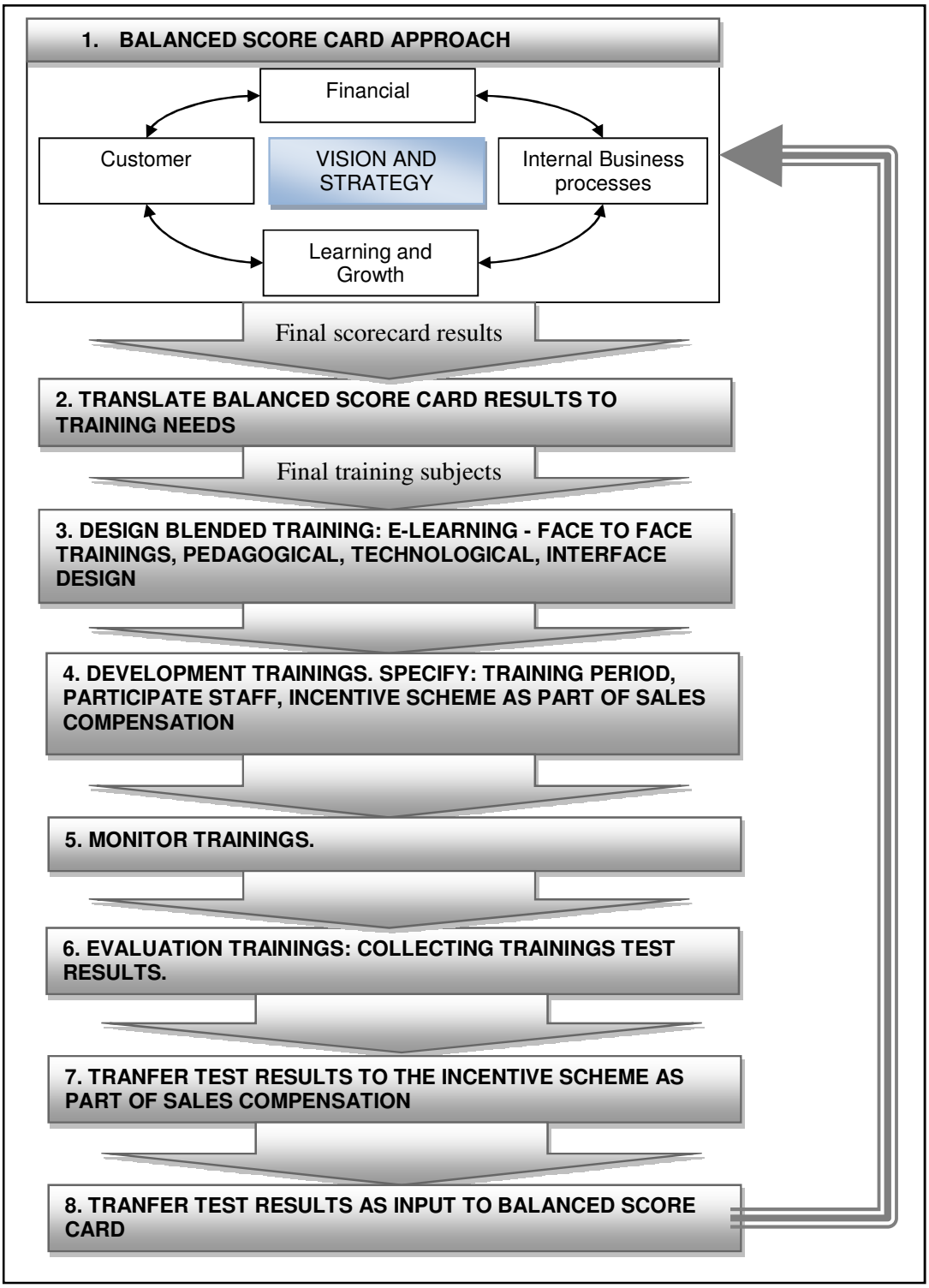
4.3 Using blended learning methods for enhancing sales performance

As described by Davis (2010) "training at Daimler AG is almost as old as the automobile itself. The board of management of Daimler AG made it clear that training was a top priority, at the end of 2009 the group had 9,151 trainees".

In the first trimester of 2010, a case study in the organisation focused on the framework that enhanced sales performance issues in organisations through blended trainings. Through the focus group, three major clusters of activities were identified as major contributing factors in improved sales performance in the service sector through e-learning. These included activities related to the management of personnel, the management of training activities and the management of the financial flows. Based on feedback received, a framework for blended training development was proposed. It was based on a combination of the balanced scorecard approach with the Khan's octagon e-learning framework and the blended learning trainings. Figure 4:1 outlines this framework. It consisted of several integrated modules that addressed the identified aspects of business needs.

Welsh et al. (2003) state “that the landscape of e-learning during the next several years will be placed on synchronous learning tools, blending their classroom training with e-learning, e-learning technology will advance and make training programs more accessible and less costly”.

Figure 4:1. Blended Training development framework for the sales & marketing department at Mercedes-Benz Cyprus (Vouldis & Kokkinaki, 2010)

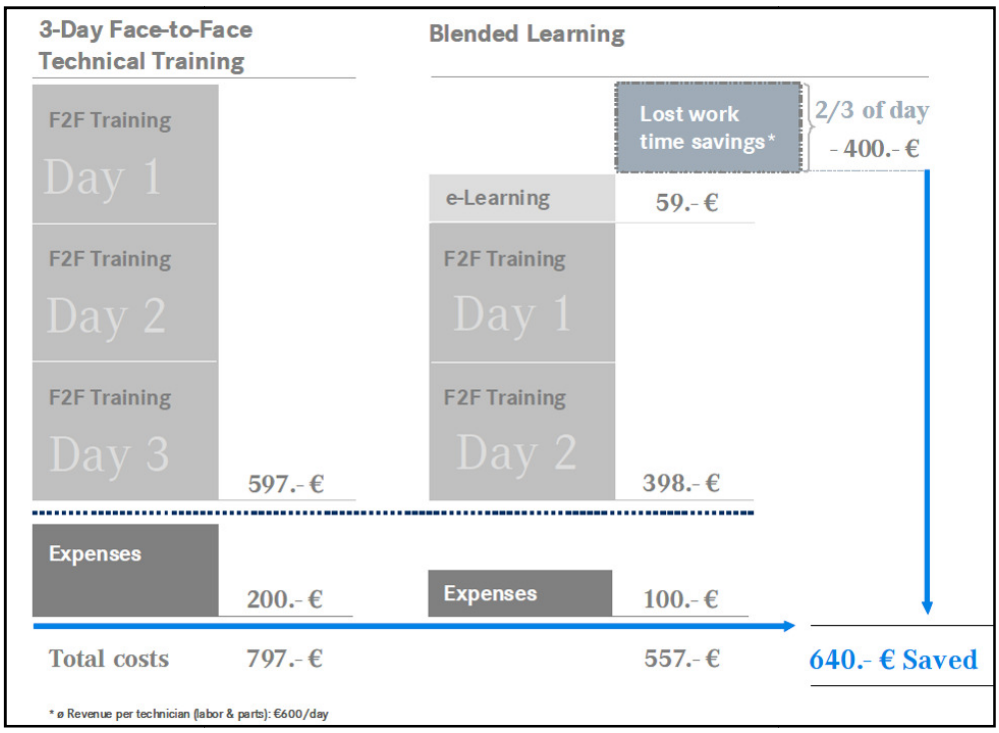


The organisation operated a policy of continual process improvement. Using as a performance management tool the balanced scorecard approach, it sought to improve the effectiveness and efficiency of the organisation on an on-going basis. The input data derived from data from financial audits, internal quality audits, nonconformities, staff suggestions, IT requirements and results from Customer Satisfaction Index. The

final scorecard results were translated to trainings needs which supported the design of blended training planning. Blended learning trainings enable users to have efficient and consistent training with the following benefits:

- Cost reduction: Quicker access to new knowledge. Less travel needs and less person days lost in effect translate into lower work time costs. Figure 4:2.
- Anytime learning: Training material is available whenever you want it 24 hours a day, 365 days a year.
- Anywhere learning: Staff can learn where they live or work. They have continuous access to training materials.
- Efficient learning: Gain new qualifications in an efficient, targeted and rapid manner. It offers learning evaluation through specific tests.

Figure 4:2. Reduce training costs - Minimise lost work time (Daimler Global Training, 2010)



After the implementation of the necessary blended training programme, evaluations through online tests were conducted in order to receive a feedback and an output of the effectiveness. This could be used as inputs to the balanced scorecard approach. The evaluation results were used as part of the incentive scheme and the sales compensation of the sales staff.

4.4 Scorecard tool presented from the principal, Daimler A.G.

In April of 2010, Daimler A.G. at the Global Management Meeting in Stuttgart presented a Scorecard tool. It aimed to fulfil the requirements for an instant key

performance indicators measurement tool in order to improve the daily work and information needs. This tool had two different tables; the first table was used to set the targets of the different key performance indicators. The second table presented the achievement of the different key performance indicators in a graphic approach fulfil.

On May 2010, it was decided by the Sales Management team that this tool would be discussed with the focus group regarding the selection of the possible models and frameworks for measuring sales performance. Moreover, it would investigate to capture various views of management under the four perspectives of business performance outlining their expectations and potential limitations.

However the implementation of this tool was postponed as was decided to be investigated as part of the approach of measuring and managing sales performance.

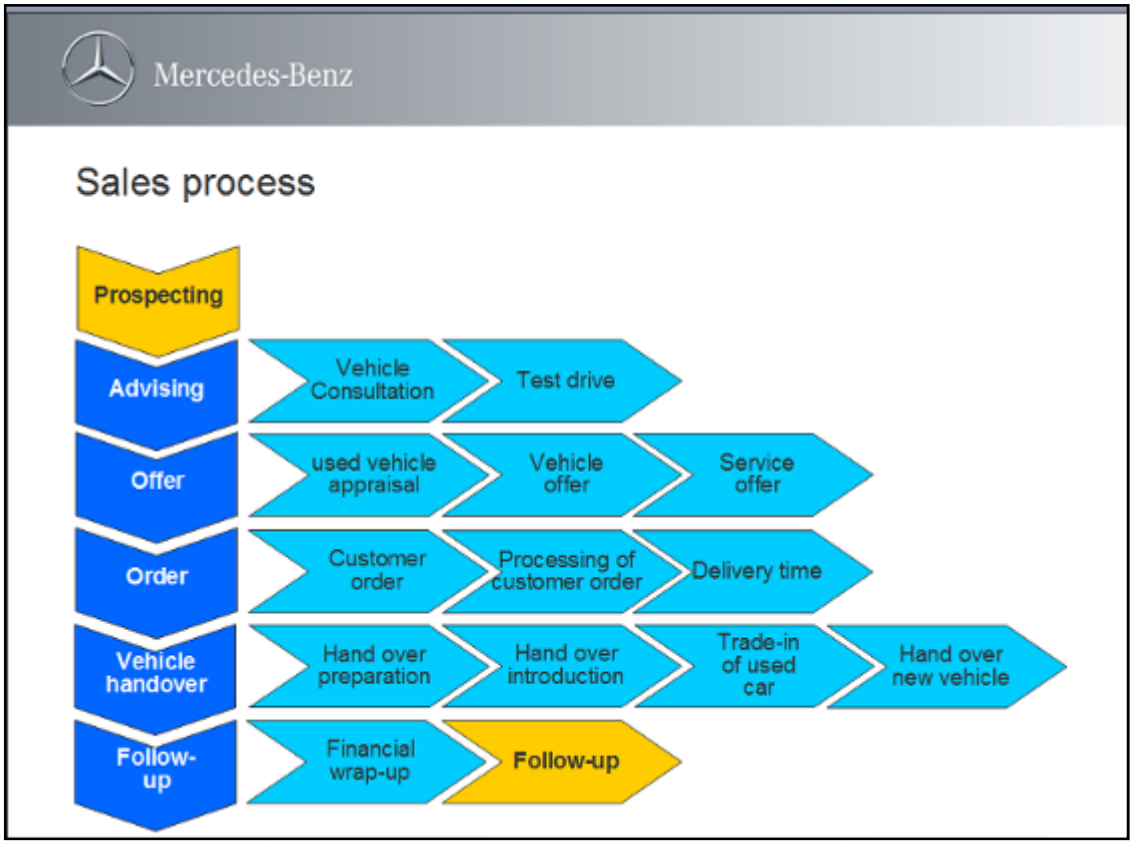
4.5 Advanced Training for Experienced District Managers

In November 2010, the author participated in the advanced training for District Managers, which was developed by the Global Training of Daimler A.G. This training focussed on the analysis of the following subjects:

- Sales Operation Process with the most important key figures of the car business and can derive guidelines for increasing branch profitability;
- Sales traffic with relevant key figures as well as develop measures therefore;
- Relevant Key Performance indicators for the dealer target agreements which are able to derive quantitative and qualitative targets;
- Communicative structure and preferences for successful dealer advising;
- Planning of the dealership visit frequency in a sales-oriented way;
- Preparing of a structured action plan.

The participation of sales managers from different countries provided the participants with the opportunity to exchange different ideas of how to measure and manage sales performance. An important suggestion which came out of the discussions was a map of the sales process for the development of the important key performance indicators. As shown in figure 4:3, a number of step-by-step activities in the sales process unable to identify, assess, and manage performance.

Figure 4:3. Sales Process. (Daimler Global Training, 2010)



4.6 Monthly meetings, reports and visits to branches

An important issue that emerged through this process was the fact that the communication between the retail branches and the central department was not optimal. It was necessary to establish a standardised procedure for reports, meetings and visits to dealers in order to analyse, control and finally improve sales performance.

The following procedure was followed so that all those who participated in the development and implementation of the decisions and activities that improved sales performance were optimised. This procedure started with the monthly visits to the different retails from the Marketing Manager and the Assistant Sales & Marketing Director. The distance between the different retails was not so far and could be done in one full day. A standardised report was developed for this visit with the following topics:

- Overview of market trend and sales (by area)
- Market volumes, market shares, winners, losers (by area)
- Wholesale / retail / incoming orders / visit frequency / stock (by area)
- Running lists of the dealers on current topics (e.g. Retail, order intake)
- Current situation of dealer – Sales
- Positioning of the dealer compared with others

- Important key figures, e.g. sales, stock vehicles, test vehicles, etc.
- Target fulfilment level of the target agreement
- Current and planned measures in wholesale/ retail
- Marketing and new products
- Current marketing campaigns in wholesale/retail
- New products
- Current status of CSI
- Current activities
- Open negotiations with fleet customers
- Lost deals analysis (vehicle, financial products and service contracts)

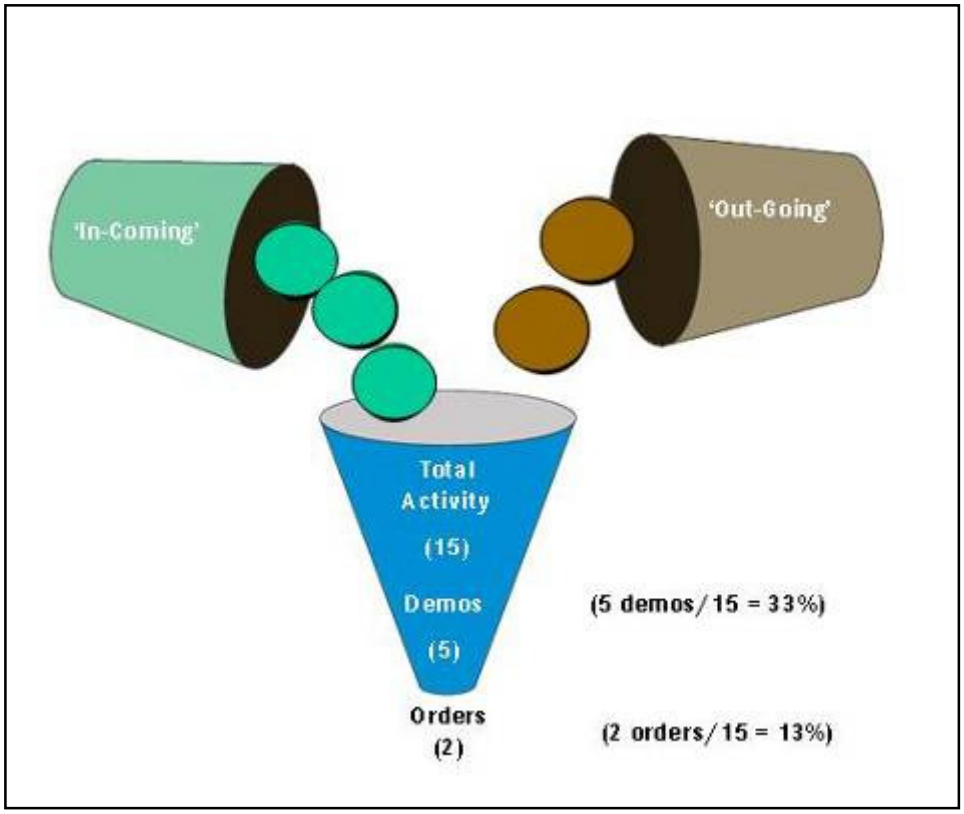
It was important in this visit to take feedback from all the sales staff of the dealer. During the first visits it was found that there was a misunderstanding between the branch manager and the sales staff.

The results of the above visit were used as input at the manager meeting with the branch managers, the sales director, the assistant sales director and the marketing manager. The main topics and issues were discussed in order to develop a specific action plan.

4.7 Sales Funnel

Daimler A.G. developed the Sales Funnel Management tool to support the organisation to work systematically on controlling the sales process and the expenditure on the marketing measures. As described by Anon (2010) in the manual, "Sales Funnel Management has been established in order to track the drop out of prospects in the whole sales process namely from awareness creation until the successful purchasing of the product". As shown in figure 4:4 only a certain amounts of requests and initial interests could be converted into sales.

Figure 4:4. Sales Funnel concept (Anon, 2010)



The target for the dealership was to increase its sales performance through the optimisation of the sales process. This was realised through the tracking of the activity of the salespersons and showroom traffic. The weekly measurements of these two elements could enable the following conversion rates to be calculated:

- Test drives in relation to all live customer contacts
- Offers issued in relation to all test drives
- Order intakes in relation to offer issued

With this information, it was possible to provide detailed feedback to sales persons regarding their performance. Motivation talks or training sessions were scheduled for the sales persons according to the results of the individual salesman tracking. In addition, the Marketing Spend Effectiveness was an instrument to control the expenditure of the marketing measures or marketing media used in attracting customers to the products. A larger budget allocation could be given to the marketing measures which were very effective in attracting customers and vice versa. Lastly, the performance of a particular dealership could be compared against the performance of other dealerships within the country. Regional measures could be derived and nationwide campaigns or trainings could be organised in order to reach the common goal of the various dealerships in the country.

Using the sales funnel for several months identified many difficulties in the implementation process. A few organisations achieved a successful sales funnel implementation on the first try. In fact, a majority of district managers who were responsible for running this tool, identified lack of commitment from the sales staff to input accurate data regarding the sales funnel into the system. For this reason, it was decided from the Daimler A.G. to use a second version of web-based sales funnel tool. It has an online platform, where users could input data direct to the system with accurate results in real time. It offered a variety of different reports divided into five main report categories:

- Showroom Traffic
- Marketing Spend Effectiveness
- Sales Performance
- Ranking
- Cockpit Reports

4.8 Compensation system

In 2008, in view of the global financial crisis and due to the old stock vehicles in our bonded warehouse, it was necessary to develop a motivating and sales boosting compensation system for the sales & marketing department. The main targets were to reduce the number of old stock vehicles and increase sales performance with rewarding cooperation, collaboration and teamwork. Ledford & Lawler (1994) state that "in order for a compensation system to be an effective motivator, it must consider; the behaviours and results desired; the rewards that motivate employees; and the conditions necessary to facilitate this relationship".

After several meetings with the Sales Director, the Branch Managers and the Salesmen decided on a compensation system with a common understanding of all sales staff of high performance culture. This system was aligned with the organisational structure, the business strategy, the performance management system, and even within itself. Furthermore, it paid attention to critical elements including the customer satisfaction and target achievement.

It focused to achieve the following aims:

- Strong Focus on Stock Vehicles;
- Dealer –Branch target volumes be agreed on a monthly/quarterly basis;
- Dealer –Branch targets contain the aged inventory and fix/variable sales commission scheme for sales consultants as must-category;

- Target achievements evaluated monthly and quarterly;
- Customer satisfaction is incorporated into target agreements;

This compensation system proved to be very effective and that it could be used as a powerful tool for encouraging sales activities, ultimately driving sales force effectiveness. Furthermore, it altered the salesmen culture to promote stock vehicles resulting to reduce the stock vehicle level by 50 %. This changing culture was achieved through several trainings with the salesmen to make them understand that old aged stock vehicle sales will boost their income.

4.9 Conclusions from the review of existing practices through the organisation documentary analysis

This chapter has shown that the host organisation had already implemented several tools related to measurement of the sales performance. The management team already had a culture for continued improvement with the use of the ISO quality system. Additionally, Daimler A.G. with a demanding reporting portfolio supported the implementation process of the proposed framework. Many of the tools offered basic support and improve organisation's strategies.

However, this chapter has also shown that these approaches are not connected in a holistic view of measuring sales performance. These tools offered incomplete output measures without to connect the results with specific action plans how to improve. These weaknesses in traditional performance measurement are driving organization to implement the proposed performance management system.

CHAPTER 5: PROJECT ACTIVITY

5.1 Chapter summary

This chapter aims to describe how data analysis was collected and analysed in order to come up with a new proposed framework by literature review, host company practices and stakeholders' input. More specifically, the remaining of this chapter is structured as follows. Section 5.2 descripes the focus group interview with management of the host organisation model and framework investigation; Section 5.3 descripes the focus group interview with management of the host organisation proposed framework assessment; Section 5.4 descripes the focus group interview with management of the host organisation proposed framework assessment; Section 5.5 descripes the focus group with the management of other similar organisations.

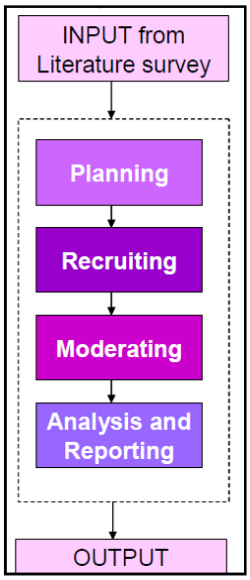
5.2 Pre-model design focus group: Host Organisation management needs analysis

The purpose of the focus group was to elicit an appropriate model or framework possibly based on the combination of existing tools and procedures for managing and measuring sales performance within the organisation. One of the major advantages of focus groups as a method of data collection is its dynamic nature and the results emerging from the focus group process through the interaction of the group members (Asbury, 1995). Within the scope of this project, this research process was undertaken with the management staff of the sales and marketing department of the host organisation. All participants have key positions and are actively involved in the management and decision making process related to departmental issues as shown in Appendix 11. The Sales and Marketing Director was one of the members of the focus group. He has the responsibility for the overall running of this department. He is highly esteemed in this organisation partly due to the superb results he has achieved through the number of years he has been with the company. Furthermore, he has been on the Board of Directors since the time of the management buyout in 2004 and he is one of the shareholders. The Marketing Manager was present; it must be noted that the Marketing Manager has been actively involved with sales performance issues and was managing the marketing activities of the company. Other participants included the four Branch Managers, who have the responsibility of the overall business performance for their branches. All Branch Managers had extensive experience in issues related to sales performance; they held this position for more than ten years. The focus group questions aimed to investigate the perceptions of each individual participant regarding the aspects which may have to be changed or improved in the organisation. Furthermore,

management staff had to discuss and decide which model, framework, approach or any combination of them could be used to manage and measure sales performance in Mercedes Benz –Cyprus.

This focus group followed the approach advocated by Blackburn (2000) where the main stages of the focus group process are: planning, recruiting, moderating, analysing and reporting as represented in figure 5:1.

Figure 5:1. The main stages of the focus group process (Blackburn, 2000)



Input from this focus group was derived from the literature review of types of models and the approaches used by the host company and the examination of existing documentary of the organisation for measuring and developing sales performance. Before carrying out the focus groups, it was vital to develop a manual (Kidd & Parshall, 2000) containing the outline of the discussion which was based on the research questions. This manual (Appendix 4) presented findings from the literature review and the documentary analysis with a detailed analysis of the advantages and disadvantages of every potential model, framework and tool for managing and measuring sales performance. It was given to the participants several days before the focus group in order to be aware and familiar with the objectives of this research. Furthermore, it was mentioned to the participants that the researcher was available to discuss any questions regarding the process of the focus group. Moreover, it was highlighted to them that the focus group was confidential and their responses were to be used anonymously and were asked for their permission to use their business cards as supported evidences for this research project.

It was decided to run this focus group during a regular monthly management meeting as all the participants were part of the management team of the sales department. The

meeting place for this focus group was the conference room which had all the necessary electronic equipment for the focus group presentation.

Kreuger (1988) suggests that the number of research questions in "a focused interview should be less than ten and often around five or six". Regarding the focus group questions Stewart & Shamdasani (1990) suggest two values which must be considered:

- "that research questions follow a logical structure from the more general to the more specific";
- "that the significant research questions have to be placed early, close to the top of the guide, whilst those of a less important implication should be placed near the end".

The first section of the focus group intended to introduce the process and rules to the participants; the importance and the confidentiality of this research project was emphasised. Additionally, the research questions and the overall research implementation process of this project were presented to the focus group.

The second section aimed to present to the participants the different available models, frameworks and tools for managing and measuring sales performance with emphasis on the advantages and disadvantages of each one of them, according to the findings from the literature review and the documentary analysis.

The third section focussed on eliciting their views concerning the research focus group questions. More specifically, it examined the variables which must change or improve so that sales performance could be improved. It evaluated the models, frameworks or approaches (or combination of them) that could be used to manage and measure sales performance in Mercedes Benz –Cyprus. Additionally, it was estimated which of the existing tools could be used to manage and measure sales performance in the company. Finally, it investigated the responsibilities for the derived process of measuring and managing the sales performance.

Identifying and recruiting participants in the focus groups is a crucial step in the research process (Vaughn et al. 1996, Greenbaum 2000). The Management team of the sales and marketing department along with the line managers who dealt with the daily issues of improving sales performance were considered to be appropriate, to answer the research questions.

Buchner (2007) argued that "many performance management implementations are essentially imposed upon the employees by the organisation". Furthermore, Roberts (1998) has stated that "this situation leads to a lack of ownership of the performance management by line managers". These are important issues to be considered since the

achievement of an effective sales performance management system is dependent upon the insights of line managers due to their influence upon their employees (Harris, 2001). During the discussion of a focus group, the position of the moderator is to make sure that participants cover each of the research questions, ask for an explanation (if needed) and finally offer a brief summary (Field, 2000). The researcher had the role of the moderator for this focus group. It was crucial to ensure that all participants who constituted the sales management team had been informed and accepted the aim and the rules of the focus group in advance. Creswell (2008) states that "researchers also need to anticipate the possibility of harmful, intimate information being disclosed during the data collection processes". It was important to ensure that all work was completed on time, within budget and scope, and at the correct performance level. Participants had the same position level in the organisation except the sales & marketing director. Also, participants were encouraged to express their personal opinions freely despite the presence of the sales and marketing director in this focus group.

The focus group was recorded and backup notes were taken. The interview was conducted in Greek. Marshall & While (1994) highlight the difficulties to both the reliability and validity of undertaking semi-structured interviews with respondents for whom English is their second language. For this reason, the final findings were translated in the English language by the researcher and were examined for any influence of translation on the reliability and validity by both the adviser and the consultant of this project.

The next step was to analyse the content of the discussion looking for trends and outlines. Kreuger (1988) suggests that "content analysis begins with a comparison of the words used in the answer". The aim was to identify areas and issues relevant to the objectives of the research study (Dick, 1990). The NVivo qualitative software package was used to sort and code the data (Bazeley & Richards, 2003). The aim of this was to scan the text and highlight possible categories. The highlighted data were sorted into categories of common themes using coding, and then connections and/or differences in themes were investigated (Bryman & Burgess, 1994).

Miles & Hubermann (1994) suggest a general analytical procedure which can be applied to any qualitative data analysis. It focuses on systematic procedure of combined and separated data into themes or categories through coding. Codes represent themes or concepts which are derived from the data collection, taking under consideration the research questions. It was important to ensure the validity of the coding. The material was read carefully in order to become familiar and some marginal notes were made at

this point, identifying concepts and relative issues. The conclusion was reached that the coding system represented the necessary themes or concepts which could support various views of the management of the host organisation under the perspectives of the possible models and frameworks for measuring and managing sales.

5.3 Post-Framework design focus group: Host organisation management assessment

Assessment of the proposed framework was also conducted through a focus group. The purpose of the management focus group was to understand, evaluate and improve through each manager's perspective the proposed framework. It seemed that the management team gave positive feedback for the validity and effectiveness of the proposed framework. Based on their feedback, discussions were held and the final implementation face was set with some minor changes. It was crucial for the success of the framework to be accepted from the involved staff and management staff. The aim of this framework was to be like a "steering wheel" which would show them the path to investigate, for improving sales performance aligns with the strategic targets of the organisation.

This focus group followed the research approach as it was used for the first focus group interview with the management of the host organisation concerning the model and framework investigation. A manual was developed, as presented in Appendix 8, in order to support participants' inquiries. This manual presented the final version of the proposed model with details in the process of measurement sales performance with allocated responsibilities. It was given to the participants some days before the focus group in order to be aware and familiar with the objectives of this research. This focus group was completed during the regular monthly management meeting as all the participants were part of the management team of the sales department. The participants were the Sales and Marketing Director, the Marketing Manager and the four Branch Managers who were responsible for every different branch.

5.4 Focus group with the management of other similar organisations

The focus group with the management of other similar organisations aimed to investigate if the proposed could be developed for other companies in different countries. It took place during the advanced training for District Managers in the Daimler A.G. in Stuttgart. Permission to run this focus group was obtained by the Global Training Department of the Daimler A.G. The proposed framework had been

prior discussed and presented to the market manager of the Daimler A.G. who agreed to the contribution of knowledge of the S.B.I. framework.

> "…I believe that this framework can contribute to our overall sales performance and I recommend presenting it in all of our markets…"

Furthermore, once permission was granted, the potential participants were contacted. The permission for their participation in this focus group was acquired. The main responsibilities of the participants were the monitoring of targets' fulfilment and the development and monitoring plans of actions with the different dealers of Mercedes-Benz in their countries. Participants were experienced managers representing different markets of the Mercedes-Benz countries like those of Serbia, Croatia, Bulgaria, Romania and Hungary. A list of the participants with their affiliations is presented in Appendix 12.

This focus group was developed based on the approach advocated by Blackburn (2000). It was planned and approved by the global training department of Daimler A.G. A research question manual was developed for this focus group as shown in Appendix 9. This manual presented the proposed framework with a brief analysis for each step, including the research questions. It was sent to the participants several days before the focus group meeting, in order for the participants to be familiar with the objectives of this focus group. Additionally, they were informed that their responses were to be anonymous and they were asked for their permission to use their business cards as evidence of their participation in the research.

The researcher organised the interview and acted as the moderator in the focus group. The interview was recorded and backup notes were taken. The aim of the first part of the focus group was to introduce to the participants the process and rules that were to be followed during the discussion. The importance of the confidentiality of this research project was also pointed out. Furthermore, the research questions were posed to the focus group.

This chapter highlighted the appropriate suitable research methodologies and techniques in order to fulfil the research questions of this project. The findings from these project activities of the next chapter will be to therefore, described the design and the implementation process of the proposed framework.

CHAPTER 6: PROJECT FINDINGS

6.1 Chapter Summary

This chapter discusses and analyses the project findings and their implementation. More specifically, the remaining of this chapter is structured as follows. Section 6.2 presents the findings of the focus group with management of the host organisation model and framework investigation; section 6:3 presents the proposed integrated framework for measuring and managing sales performance; section 6.4 links the proposed model with the literature review and the organisation documentary analysis; 6.5 presents the reporting analysis system architecture; section 6.6 presents the development of the proposed framework; section 6.7 presents findings for the assessment of the proposed framework and the reporting analysis tool; 6.8 investigates the validity of the proposed framework; section 6.9 investigates under which conditions this framework could be implemented in other organisation in different markets; 6.9 describes the innovative contribution of the S.B.I. Framework on sales performance at Mercedes-Benz Cyprus and its connection to the KPI used in business.

6.2 Findings from the pre-framework design focus group: Host organisation management need analysis

The outcomes from the focus group were that emerged information from the management team was used for the design of the proposed framework for managing measuring sales performance of the organisation.

The first research question posed to the focus group inquired what had to be changed or improved in the host organisation. Most of the participants agreed as a method to identify what had to be changed or improved could be the outcome of the SWOT analysis. The focus group word frequency analysis, as shown in Appendix 5, indicated that the word “SWOT” appeared 8 times and its weighted percentage reached in 0.53%. The SWOT analysis is the process of analysing organisations’ business environment for threats and opportunities, and it is considered as an external factor, and the organisational analysis, the process of analysing a firm’s strengths and weaknesses and it is considered as an internal factor (Weihrich, 1982). SWOT analysis is widely used in firms; frequently, it is used as the centrepiece of situation assessment (Day, 1984). The Management staff were familiar with the SWOT Analysis method as it had been used during the implementation of the ISO quality management system of the organisation. In addition, the SWOT Analysis is used by Daimler A.G. as the basic tool for the launching of a new model in the Market.

> "... I would suggest that a SWOT Analysis can help us to identify what we have to improve or to change. We have the experience in developing this method as we have already used it for model launches with the support of Daimler A.G. …."
>
> Participant 2
>
> "... I agree that through the SWOT Analysis with the participation of all staff we can identify what needs to be improved, while all staff will feel involved and committed to the goals to be set ..."
>
> Participant 3
>
> "…I would say SWOT Analysis can be part of the system of measuring and managing sales performance …"
>
> Participant 1
>
> "…we are using the SWOT Analysis with positive results for any launch of our new models. It helps us to identify our position and potential areas for improvement. I think that can support our analysis regarding to identify the most important KPIs…"
>
> Participant 4

The SWOT analysis identified external factors, opportunities and threats, and internal factors, strengths and weaknesses, within the control of the organisation.

The main external factors, such as the market status, market share, macroeconomic matters, legislation, and socio-cultural changes were highlighted by the participants. A recent example of an external factor, described in chapter 1.2, was the financial crisis that started in 2008 and had affected the sales performance. The financial crisis had affected consumers both psychologically and financially and had made them rearrange their priorities; in alignment with Shama's (1978) statements, consumers felt that they needed to work more just to maintain their lifestyles, and that they did no longer find any enjoyment in consumerism anymore. Furthermore, organisations were also affected to lay off some of their staff, and reduce salaries, posing considerable managerial challenges (Zehir & Savi, 2004).

Participants perceived that the financial crisis had the greatest impact on sales performance. The focus group word frequency analysis, with NVivo software, as shown in Appendix 5, revealed that word "financial crisis" appeared 10 times and weighted 0.66% as the frequency of the word relative to the total words. Participants expressed their concerns for the uncertainty about the current and future situation of the automotive business and their company due to the financial crisis.

> "…Right now, with the financial crisis, it is significant to analyse performance indicators about the macroeconomic status of our market. We are facing customers who are more price sensitive now. Furthermore,

> analysing the market can support our decisions for the planning to the factory…"
>
> Participant 1
>
> "…Another important factor that affects what we need to examine are economic and political situations that exist and affect the Market…"
>
> Participant 3

Empirical evidence indicates that the sales performance is dynamically affected by the market situation and by the competitors' activities. It was mentioned that sales performance was affected by the current stage of the product in its life cycle; i.e. the sales performance of a newly introduced model is significantly higher that the one that is in its maturity stage. Product life cycle stages dictate different strategies and action plans with regards to price, distribution, advertising, sales promotion and personal selling (Hofer, 1975).

> "…Another point to improve is the percentage market share that we have over the competition…"
>
> Participant 4
>
> "…every model has its lifecycle periods, starting from the launching of the car following the facelift and final the face out…our performance depend in which period our model is comparing with the competitors…."
>
> '…our competitors are the most important 'threat' in the market, BMW and AUDI must be analysed in detail for every model they are selling. Every month we do the market position report. The results of this report must be part of the KPIs of the PMS…2
>
> Participant 5

It was relatively clear that the sales management team had identified that training and internal communications were essential internal factors. Internal communication and feedback from all staff were vital to the evolution of the cultural change of the business performance in the organisation. There was a positive relationship between employee and business performance as Welch (2001) points out that "building good people led to people building good products and services and, by implication, successful businesses". Liden & Maslyn (1998) identified "the high-quality relationship as consisting of four highly-correlated dimensions: affect loyalty, contribution, and professional respect". Management staff must use the results of this proposed framework as a communication tool for their internal meeting with their staff. In order to achieve this, it needs to be adopted as part of their daily activities. Additional staff needed to be trained in order to understand the necessary information which was produced by the proposed model.

Management staff generally agreed that the role of the sales staff performance was a crucial factor of the sales performance. The focus group word frequency analysis, as

shown in Appendix 5, showed that the word "salesmen" appeared 13 times and had a weighted 0.86%. This evidence showed that management staff took in its consideration the importance of establishing team performance concepts. Team control in a sales organisation, is documented as an important performance indicator with main responsibility of the sale manager who understands that poor team designs have a negative impact on salesperson confidence, result in complicate management evaluation and control (Oliver & Anderson, 1994; Churchill et al., 2000).

> "…if the sales staff understands what the objectives of the organisation are then our results will further improve…"
>
> Participant 3
>
> "…The derived framework should be a tool that helps us to communicate and exchange ideas. So it should be as simple and understandable as possible for all our sales staff…"
>
> Participant 1

The data resulting from the content analysis showed that interviewees perceived training as a fundamental part for improving sales performance. The focus group word frequency analysis, as shown in Appendix 5, the word "training" appeared 8 times and had weighted percentage 0.53%. Training helps salespeople be more effective in their communication with their customers and formulate integrative, win-win solutions (Dion & Banting, 1998). However, training is a major cost for any sales organisation rendering it to become a part of the overall action plans for improving sales performance.

> "…We can get better via the training. The trainings about our soft skills or product will greatly help to improve our sales performance..."
>
> Participant 2
>
> "…we need to follow up our e-trainings module. Sales staff many times is ignoring to follow the timeline for our e-Trainings. I suggest having a KPI with the achievement of our trainings…"
>
> Participant 3
>
> "…from the point of view of the derived action plans. I think that training need to be a main factor for improvement. This has to be communicated to all of our sales staff…"
>
> Participant 5

Yet, it was recognised that the management acts as a role model for the sales staff. Bi-lateral relationships between the supervisor and the employees are crucial to establish a culture of improvement. A higher-quality of exchange results when sales managers and sales people share physical resources, information and enjoyable tasks (Liden & Maslyn, 1998). A positive sales team culture has a major influence to the overall sales performance of the organisation. The fundamental characteristics of an effective team

include clear recognition of goals, simplicity of roles, common feeling, motivation, commitment and collaborative approach (Rajagopal & Rajagopal, 2006).

> "…We [management team] have to set the "good example" for our sales team. How can we [management team] demand from our sales team to follow our dress code if we [management team] come to work without wearing our ties?..."
>
> Participant 1
>
> "…We have to work as a team. I am sure that if we are trying for improvement first of all ourselves then and our team will follow us…" Participant 2
>
> "…we should aim at a much more team culture; we [management team] have to give to our staff all the necessary support for improvement…"
>
> "…Management team has to be more aware of their responsibility to the sales performance…"
>
> Participant 4

The second focus group research question investigated whether a single model or combination of models and/or frameworks and/or approaches should be used to manage and measure sales performance in Mercedes-Benz Cyprus. The research indicates that there is no silver bullet; there is not a single model followed by a process for developing performance objectives and measures that will guarantee good results. Thus, it had been examined if a synthesis of existing models and frameworks tailored to the size, kind, and available resources of the host organisation would be preferred. The management team identified that a suitable combination of the SWOT Analysis with the Balanced Scorecard and ISO might be integrated to produce the proposed framework for managing and improving sales performance that the host company was in need that time. Their perceptions were shaped by prior successful implementations within the organisation. Management staff had developed several management trainings with Daimler which had analysed the above performance models and frameworks.

From the author's perspective it seemed that under the pressure of the financial crisis the management team preferred to establish a solution that had been already experienced in the organisation.

The various models and frameworks were presented to the participants as shown in Appendix 4, with the aim of clarifying any misunderstandings or questions they might had before the evaluation phase. It was made clear to them that they had to evaluate each model or framework based on the framework which had been developed as presented on Table 3:1. The assessment criteria are presented below for every different model or framework.

- Scope: Evaluate whether the aim of the model or framework is applicable at Mercedes-Benz Cyprus;
- Time: The time required for changing and/or developing this model or framework is appropriate for the Mercedes-Benz Cyprus;
- Resources: Whether the required resources were available in Mercedes-Benz Cyprus in order to develop this model or framework;
- Staff involvement: Whether the involvement of staff in the changes of potential model or framework for measuring and managing sales performance in Mercedes-Benz Cyprus was sufficient;
- Flexibility: Whether this model or framework could remain integrated, efficient and effective at the Mercedes-Benz Cyprus under changing circumstances.

Participants were interviewed verbally. They were asked to select one of the following three answers for each of the models or frameworks: "Strongly acceptable", "Neutral", and "Low acceptable". Their responses were recorded; written notes were also taken to support the analysis process. A strong positive acceptance was given a dummy value of 1, a neutral acceptance was given a dummy value of 2 and low acceptance was given a dummy value of 3. Analysing the content with Nvivo software were set nodes for every different model or framework, category and finally participants responds were categorised in of three acceptable values. The data results were based also on the written notes from the researcher during the focus group process. In Appendix 6, the overall data results are included and a sample of these data records is presented in Table 6:1.

Table 6:1. A Sample of data records

Participant	Model	Category	Acceptance	Value
Participant1	BSC	Scope	Strong	1
Participant1	BSC	Time	Neutral	2
Participant1	BSC	Resources	Strong	1
Participant1	BSC	Staff	Strong	1
Participant1	BSC	Flexibility	Strong	1
Participant1	ISO	Scope	Strong	1
Participant1	ISO	Time	Low	3
Participant1	ISO	Resources	Strong	1
Participant1	ISO	Staff	Strong	1
Participant1	ISO	Flexibility	Low	3
Participant2	BSC	Scope	Strong	1
Participant2	BSC	Time	Low	3
Participant2	BSC	Resources	Strong	1
Participant2	BSC	Staff	Neutral	2
Participant2	BSC	Flexibility	Neutral	2

Acceptance	Value
Strong	1
Neutral	2
Low	3

Originally, it was planned that the SPSS programme would be used for the statistical analysis of the data. However, Microsoft Excel was used as it provided the necessary functionality in a user friendly interface. To assess each model or framework, descriptive statistics were provided with significant testing between the means of these five criteria above, as shown in Table 6:2.

Table 6:2 Research question (Which of these models, frameworks and approaches should be used to manage and measure business performance in Mercedes Benz – Cyprus?)

		Category					
Model or Framework	**Data**	**Scope**	**Time**	**Resources**	**Staff**	**Flexibility**	**Overall**
ISO	**Means**	1,167	1,000	1,000	1,000	2,200	1,241
	Variance	0,167	0,000	0,000	0,000	0,700	0,333
BSC	**Means**	1,500	2,000	1,667	1,667	1,500	1,667
	Variance	0,300	0,400	0,267	0,267	0,300	0,299
EFQM	**Means**	2,600	2,400	2,000	3,000	3,000	2,600
	Variance	0,800	0,300	0,000	0,000	0,000	0,333
Performance Prism	**Means**	2,400	3,000	3,000	3,000	3,000	2,880
	Variance	0,300	0,000	0,000	0,000	0,000	0,110
Six Sigma	**Means**	2,000	3,000	2,600	1,600	3,000	2,440
	Variance	0,500	0,000	0,800	0,300	0,000	0,590
Tableau de Bord	**Means**	3,000	3,000	3,000	3,000	3,000	3,000
	Variance	0,000	0,000	0,000	0,000	0,000	0,000

Based on the results, the models or frameworks with the lower overall mean and variance reflected management staff significant selection. A mean close to the value 1

presented a positive respond from participants, while variance close to value 0 presents low variation of their answers.

As expected, the ISO quality management system was selected to be part of the proposed framework because it was already implemented in the organisation and had positive outcomes. Indicatively, it is stated that ISO had overall mean 1,241 and variance 0,333 in alignment with the theoretical findings, as in Feng et al. (2007) who concluded from their research that "ISO 9000 series has a positive and significant effect on operational performance, but a weak positive effect on business performance". Based on the responses of the sales management team, the ISO was viewed as a tool for implementing the action plans based on the results from the sales performance management system. Furthermore, the focus group word frequency analysis (Appendix 5 showed that the word "ISO" appeared 9 times with a weighted percentage 0.60%, while a closely associated concept, that of "improving" appeared 14 times with a weighted percentage 0.93% .

The ISO quality management system had been used as the main quality management, control and assurance method in Mercedes-Benz Cyprus since 2005. Najmi & Kehoe (2000) stated "the ISO 9000 quality management system offers a significant first step towards quality development and the major issues are - top management commitment, clear developmental planning, employee involvement and continuous improvement".

In our focus group, concerns were raised by the participants about the effectiveness and flexibility of ISO with a mean 2,200 and variance 0,700. The explanation for this difference is due to the fact that in practice the ISO as quality management system has been given positive results for establishing procedures but as performance tool it has not offered significantly positive result.

> "…I would say to combine with the already existing ISO quality system which has been implemented with success in our organisation…"
>
> Participant 5
>
> "…The ISO helps maintain and implement our procedures; it should be an integral part of the model that we will implement…"
>
> Participant 2
>
> "…We have already experienced its [ISO] application with quite positive results…"
>
> Participant 4

It seems that the Balanced Score Card approach had shown high significant positive results with an overall mean 1,667 and variance of 0,299. Participants viewed this model as a proper candidate for measuring and managing sales performance in the

organisation. However, a number of participants were concerned about the time required for the implementation (mean 2,000 with a variance 0,400) which may be partially explained by an attempt in the past to implement a balanced score card system (as recommended by the Daimler A.G.) that required a very long time. As shown in Appendix 5, the word "Balanced Score Card" appeared 14 times and had a weighted percentage 0.93%. Balanced Score Card supports the management to focus on controlling those areas which have the most important impact for the achievement of strategic objectives. However, there are no specific methods to identify the performance targets which must be included in the four areas of the Balanced Scorecard. A requirement step for implementing a Balanced Scorecard is the clear understanding of the organisation's vision and strategy.

> "…The BSC model is preferred by Daimler AG. We could implement it with the minimum cost. We have not any implementation experience in the past but I believe that we can use the BSC…"
>
> Participant 1
>
> "…I agree that the BSC could be used as it is a tool that had already implemented with success in many companies. As far as I can remember, the factory had introduced in the past the BSC approach. …"
>
> Participant 5
>
> "…I would like to mention that through this discussion the theoretical models would be a combination of the BSC with ISO…"
>
> Participant 2
>
> "…We have already used with success the ISO quality management system. However it is used mainly for establishing procedure. BSC can introduce an overall sales performance approach…"
>
> Participant 3
>
> "…In terms of having a solution for measuring sales performance as soon as possible, we have to select models and frameworks with confidence to them. BSC and ISO have many implementations in many organisations in our industry…. "
>
> Participant 3

The majority of interviewers saw the EFQM model is not suitable for the organisation with a mean 2,600 and variance 0.333. The main reasons for this response may have been the need for support by an external expert and that would mean a significant cost for the organisation. Furthermore, it could be explained by the fact that the EFQM model is based on self-assessment processes which are demanding.

> "… The EFQM model cannot be applied because time is needed for the implementation. It is difficult to start from an unknown model…"
>
> Participant 1

> "… Based on the comparison table the EFQM model needed an external expert support. I believe that we have to develop our sales performance system internally…"
>
> Participant 2

With reference to Performance Prism, the majority of the participants believed that it was not suitable for the organisation (a mean 2,880 and variance 0,110). One possible explanation may have been the long expected duration of implementation (over six months) combined with the fact that the implemented cases were rather fresh and did not show results over a substantially long period of time.

> "…I believe that the Performance Prism as a new untested model creates a greater likelihood of failure. It is better to implement something which is simple and with the experience in the application…"
>
> Participant 4
>
> "… Performance Prism needs 6 months to implement. We need something that can support our performance urgently…"
>
> Participant 4
>
> "…I have read positive comments for the Performance Prism. But in all cases have been implemented in enterprises…"
>
> Participant 5

Evidence from the literature review as well as research results presented, showed that Six Sigma was not a fitting option for this organisation due to its complexity (mean 2,440 and variance 0,540).

> "…The Six Sigma seems very complicated and quite mathematical. The French model does not seem to be so practical…"
>
> Participant 5
>
> "…there are important issues for implementing Six Sigma in our company…."
>
> "…It is mainly focus on customer satisfaction. Our aim is to have an overall sales performance approach…"
>
> "…it needs an expert consultant. The cost for allocated an external consultant will be important…"
>
> Participant 1

Regarding the Tableau de Bord model, it became clear that the management team had a strong negative assessment (mean 3.000 and variance 0.000). Participants agreed on the fact that there was no time for experimental projects. It was crucial to establish a performance measurement solution as a risk management system to identify potential improvement action plans.

Furthermore, employee's satisfaction and the external environment were seen as vital factors for improving sales. Both these factors were not giving serious consideration to the BSC approach.

> "…We should not forget that we have all spent a significant part of time from our lives to the company. Approximately 10 hours a day. We have to improve our job satisfaction. We have to offer incentives and to monitor our staff if they feel satisfy with their jobs…"
>
> Participant 4
>
> The sales performance is influenced by other departments of the organisation and from external factors such as the local economy and lifestyle.
>
> Participant 3

The third focus group research question examined which of the existing tools might be used to manage and measure sales performance in Mercedes Benz – Cyprus. It was noted by the participants that the examined tools had a positive contribution in measuring and developing sales performance. What came across in the focus group was that the existing reports which had been designed and validated by the Daimler A.G. could be used for the sales performance analysis.

> "…Methods already in use, such as CSI, the Sales Funnel, should be better organised for giving effective results…"
>
> Participant 1
>
> "…These tools have already produced positive results and the staff understands them already..."
>
> Participant 2
>
> "…All of these tools have helped us to evaluate our performance. But it is not an established and holistic method. I hope that the new performance system will support to have an overall approach in order to take better decisions in the future…"
>
> Participant 4

A similar process to the above analysis for the selection or combination of models and/or frameworks and/or approaches could be used for managing and measuring sales performance in Mercedes-Benz Cyprus. The existing tools had been presented to the participants who had been asked to give their opinion whether these existing tools were compatible or not for measuring and managing sales performance in the host organisation. Their feedback was recorded in writing; a positive answer was given a dummy variable of 1 and a negative answer was given a dummy variable of 0.

For this analysis, elicited data were introduced in a worksheet following a pre-specified structure, as presented in Table 6:3. Appendix 7 shows the overall data results for the evaluation of the existing reports and tools from the management staff.

Table 6:3. Sample of data records

Participant	Tool	Answer	Value
Participant1	ISO 9001:2000	Yes	0
Participant1	Using blended learning methods for enhancing sales performance	Yes	0
Participant1	Information from the advanced Training for Experienced District Managers	Yes	0
Participant1	Monthly meetings, reports and visits to branches.	Yes	0
Participant1	Sales Funnel	Yes	0
Participant1	Compensation system	No	1
Participant2	ISO 9001:2000	Yes	0
Participant2	Using blended learning methods for enhancing sales performance	Yes	0
Participant2	Information from the advanced Training for Experienced District Managers	Yes	0
Participant2	Monthly meetings, reports and visits to branches.	Yes	0
Participant2	Sales Funnel	Yes	0
Participant2	Compensation system	Yes	0
Participant3	ISO 9001:2000	Yes	0
Participant3	Using blended learning methods for enhancing sales performance	Yes	0
Participant3	Information from the advanced Training for Experienced District Managers	Yes	0
Participant3	Monthly meetings, reports and visits to branches.	Yes	0
Participant3	Sales Funnel	Yes	0
Participant3	Compensation system	Yes	0

Answer	Value
Yes	0
No	1

Based on these data, a pivot table analysis was conducted in Microsoft Excel and the derived results are presented in Table 6.4. As it is evident from this analysis, the sales management staff had an absolute acceptance of the tools that had been selected for measuring and managing sales performance with the exception of the compensation system which was given 50%. This supports the view that participants had already used individual tools for measuring and managing sales performance with the support and directivities from the Daimler A.G. An important finding relates to their observation that there was a lack of a holistic approach to enable an alignment between the strategic objectives and the derived action plans for the organisation. Another need identified by

some participants relates to a suggested update of the existing compensation system with significant motivations for improvement.

> "...our existing compensation system had positive results but with the financial crisis we need a second generation system which will support our sales performance…"
>
> Participant 5

Table 6:4 Research question: Which of the existing various organisational related documents with a focus on sales performance issues can be used to manage and measure sales performance in Mercedes-Benz Cyprus?

% Value	Answer	
Tool	**Yes**	**No**
ISO 9001:2000	100,00%	0,00%
Information from the advanced Training for Experienced District Managers	100,00%	0,00%
Monthly meetings, reports and visits to branches.	100,00%	0,00%
Sales Funnel	100,00%	0,00%
Using blended learning methods for enhancing sales performance	100,00%	0,00%
Compensation system	50,00%	50,00%

The fourth research question posed to the focus group was investigating who should be involved in the procedure of measuring and managing the sales performance in Mercedes-Benz Cyprus. The organisation's culture at Mercedes-Benz Cyprus underpins that the commitment of all the staff of the organisation is essential to the overall success. In accordance to Buytendijk (2008) who states that "the trick to performance management is not to align everyone to the same goals and objectives, but in finding ways to bridge conflicting goals and objectives", the usual practice at Mercedes-Benz Cyprus is to derive to synthesised solutions to the problem.

The sales management staff had the main responsibility for the successful development and implementation of the derived model. Effective communication between salesmen and management sales team was considered as one of the main significant success factors in achieving sales performance (Rajagopal, 2008). A line manager had the main task to prepare a good sales team with the main characteristics of the identification of their goals, motivation and commitment approach. Rajagopal (2008) noticed that "salespeople, who simultaneously exhibit commitment and effort, achieve higher performance in sales activity".

> "…I would give the responsibility on us [management team] to improve our sales performance. Soldiers to attack in the war want a good officer. We must organise our sales team…"

> "…we [management team] have to organise our sales team with specific targets through the derived framework…"
>
> Participant 5
>
> "…we have to include the derived performance tool in our daily activities. The different action plans must communicate to our sales staff. It is our responsibility to find the way for using this tool for our improvement…"
>
> Participant 3

Based on the findings from this focus group, this research moved on to develop a framework with a step by step methodology of measuring and managing sales performance in the host organisation.

6.3 S.B.I.: The proposed integrated framework for measuring and managing sales performance

6.3.1 Introduction

The literature review presented clearly the importance of managing measurement systems (Neely (2002; Taticchi, 2008). As concluded by the literature review, there was a need to synthesise a number of models and frameworks with the aim to produce the most suitable conceptual framework for the size, kind, and available resources of the organisation. Additionally, the existing culture and the existing tools that have already been used by the organisation for measuring and managing business performance had to be taken into consideration.

First, the vision and core values of the organisation were taken into consideration. The reasoning for this was based on a number of literature resources. According to Hoffecker & Goldenberg (1994) "the design and construction of performance measurement systems and indicators should be developed according to the common visions of enterprises". Vision and strategy is the heart of the performance management systems which must be balanced between the different perspectives. Kaplan & Norton (2001) stated "the vision creates a clear picture of the company's overall goal and the strategy identifies the path intended to reach that destination".

Additionally, vision is the main core of the ISO quality systems. Ching & Woan-Yuh (2008) state that "for management to develop a vision which can win the hearts of the people and energizing them to strive for continuous improvement at all levels and in all functions of the organisation".

Since 2003, the host organisation had established the Management Quality System ISO 9001:2000. The quality policy as cited in (Cyprus Import Corporation Ltd. Quality Manual, 2005) clarified that the organisation had established a clear vision for its future.

The vision for the host organisation had been already established during the ISO implementation process. It aimed to be the first company in the automotive industry in Cyprus and it was communicated during the trainings for the implementation of the ISO to all staff of the organisation.

Another step for the proposed framework was the use of the SWOT analysis as a strategic planning process in order to identify the strategic objectives of the organisation. By linking the SWOT analysis to the proposed framework, the organisation could balance its strengths beside its weaknesses, and recognise its opportunities within the market. Kaplan & Norton (1996) claims that the implementation of the SWOT analysis may develop a set of strategies that makes sense supporting as a stepping stone towards the actual implementation of the balanced scorecard. The management team had the experience of developing a SWOT analysis approach as they routinely performed it every time a new product was launched in the market. SWOT analysis is a more fundamental approach in setting up the foundation of the performance measurement system instead of simply identifying the key performance indicators by a brainstorming with the management team.

The next step of the proposed framework focused on the identification of the Strategic Objectives and the Key Performance Area based on the results of the SWOT analysis. Business Strategies and the underlying business objectives had to be tracked down and monitored, so that business stakeholders could make informed decisions (Eswar & Ramesh, 2009). Keegan et al. (1989) outline three distinct steps for the design of performance measurement model or framework.

"Defining the strategic objectives of the firm and how they can be translated into divisional goals and individual management actions; deciding what to measure; instilling the performance measurement into management thinking, possibly through the budgeting process"

Strategic Objectives can be derived from the customer focus taking into consideration their needs and expectations. Additionally, competitors' environment is a crucial parameter for strategic focus of an organisation. Management staff were encouraged to brainstorm and use their expertise to identify all possible performance based on the importance for the improvement and controllability. As the documentary analysis showed the host organisation as part of the development of the ISO 9001:2000 a system of monitoring, measurement, analysis and improvement had been brought together so that the crucial could be identified in the perspectives of the Balanced Scorecard, in the external factors and in the employee satisfaction. Hepworth (1998) states that "the

Balanced Scorecard approach focuses on the 'financial, customer, internal business process and learning provide a better indication of the performance of an organisation than merely the traditional financial data".

The literature review showed that there have been many criticisms of the Balanced Scorecard approach about not taking into consideration the areas of the external factors and the employee satisfaction. Sales performance is influenced by the instability of changes in the external, local and international environment. Environmental uncertainty has been defined as the extent, to which the future state of the world cannot be anticipated and accurately predicted (Preffer & Salancik, 1978). Eccles (1991) emphasises that it will become essential for all organisations to assess and adapt their performance measures in order to adapt to the rapidly changing and highly competitive business environment. Employee satisfaction is an important category of organisational management, behaviour and development (Cranny et al., 1992). The measuring job satisfaction provides feedback in terms of diagnosing potential problems as well as productivity issues (Flores & Rodrı´guez, 2008).

Based on the previous steps, the management team had to select the Key Performance Indicators based on the business objectives. Parmenter (2007) states "KPIs represent a set of measures focusing on those aspects of organisational performance that are the most critical for the current and future success of the organisation". KPIs had to be challenging but realistic in the sense that the targets could be reached through measurable criteria and could be able to be revised if needed. The literature identifies that KPIs must be S.M.A.R.T (Specific, Measurable, Attainable, Realistic and Time-sensitive). Based on the organisation documentary analysis most of the KPIs were identified in different standardised reports. These reports were defined by the ISO quality management system, by the financial reports of the department and by the principal's reports as described in the organisation documentary analysis.

A reporting analysis system had to be established in order to present a clear and understandable view of the performance results for every KPIs. Larson (2006) states that "it is important to have a capable and easy-to-use reporting environment at our disposal which leads to better business decisions". The organisation had already the experience of developing an intelligent reporting tool. This reporting tool concentrated data from different resources within the company and with a data mining procedure prepared a final new database cube which gives the opportunity to show reports in different dimensions. Before this tool was available, about two working days were needed to prepare the monthly reports for Daimler A.G, but after the implementation of

the intelligence reporting analysis tool, it was possible to complete all the reports in 30 seconds. In addition, this database cube was used by the management team of the company for the day to day controlling of the performance of the business.

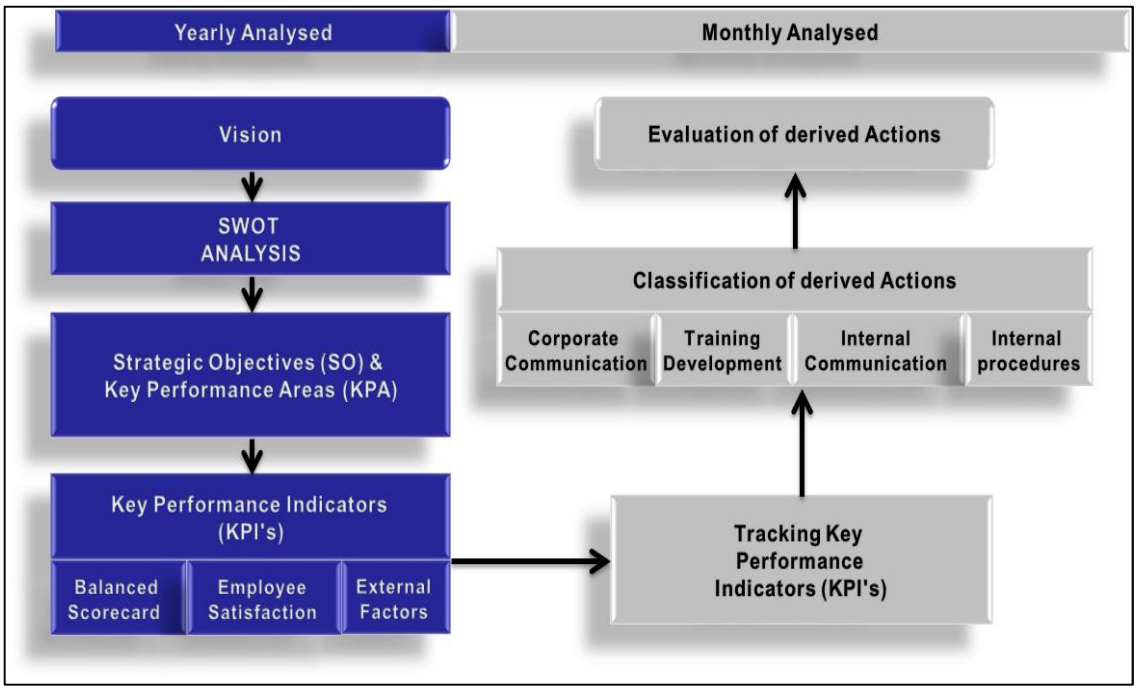
The management team had the responsibility of planning and taking the decisions for selecting one (or more) of the four different action categories. Zairi (1994) recognised that "a performance management system has been the methodological assignment of a number of actions and proposes that the purpose of measurement is to develop a method of generating a group of information that will be functional in an extensive variety of problems and situations".

The literature suggests that training may increase employees' performance (Walker et al., 1977; Anderson et al., 1995). As described in the documentary analysis, the host organisation had developed an effective methodology of training achievement through blending trainings. Corporate communication is simply used as an umbrella term for a field of practice that draws on multiple communication and management activities (Shelby, 1993). Management staff should select the appropriate corporate communication actions based on the performance results of the S.B.I. framework. It should be planned through a detailed marketing plan with setting clear, realistic and measurable targets, including a time frame and providing a budget for each marketing activity. Management staff would be required to make decisions for the mode of communication taking into consideration limitation of resources for allocating face-to-face communication and when the alternative and less costly resource of electronic communication could be used (O'Mara, 1999). Management staff would have the role of decision-making for any necessary improvement of the internal procedures. The management staff would have to evaluate the effectiveness of the derived actions plans at the next monthly meeting. The proposed framework aim would be to keep a history of different actions with an evaluation mark as a reference point for future action plans.

The proposed method was based on three pillars, namely, the SWOT Analysis, Balanced Score Card and Internal Procedures and is called S.B.I., that is, the abbreviation of the pillars used. The host organisation provided the foundations on how to develop and implement the proposed method and the proposed framework.

The proposed method encompassed inputs at two levels: yearly and monthly, as shown in figure 6:1.

Figure 6:1. S.B.I. framework for measuring and managing sales performance



6.3.2 Vision

The Vision was effectively communicated by the top management to all levels of the organisation. Management staff had in their tasks to transmit vision, and this was to determine how productively the employees adapt to these changes (Sandholm, 2005). Wilms et al. (1994) states "whatever management does, in whatever direction they push, and however hard they push dictates where the company eventually goes". A vision represents the strategy company's core values in which an organisation hopes to remain or to go in the future. Collins & Porras (1996) claimed "a well conceived vision statement consists of core ideology and envisioned future". Brown (2000) states "the development of a good Balanced Scorecard contains several strategies or future-focused metrics that track the progress towards the vision"

6.3.3 SWOT Analysis

SWOT analysis, as a strategic planning method, penetrates strategic insights. Porter (1981) states that it includes a group of variables considered important to assessing a firm's strategic situation in the competitive marketplace. The SWOT analysis incorporates four critical components those of strengths, weaknesses, opportunities and threats. It was essential to involve all levels of the management team in the process of the SWOT analysis, in order to identify potential intra- and inter-organisational issues as it is recognised that different perceptions may exist depending on the representative

position held in the organisation. It was emphasised to participants to be realistic and honest about their opinion; to distinguish between where the organisation was at the time of the project and where it could be in the future. The rationale behind the participation of all staff in management, sales and marketing departments was for them to encompass the framework from the first steps of the development of the framework of measuring and managing sales performance.

Additionally, a SWOT analysis requires a facilitator from the company to coordinate the process and to prepare a formal template with the purpose to identify key areas that are important to achieve the objective. The prepared formal template was disturbed to the participants prior to the final SWOT analysis meeting in order for them to prepare their approach.

6.3.4 Strategic Objectives (SO) and Key Performance Areas (KPA)

Based on the SWOT analysis, the Strategic Objectives (SO) and the Key Performance Areas (KPA) were identified and assessed principally with respect to their contribution towards the selection of Key Performance Indicators (KPIs).

Strategic Objectives identify the path that an organisation must pursue to accomplish its mission and be aware of its vision.

Hill (1993) suggests a framework for strategy development which contains five steps:

- define corporate objectives;
- define marketing strategies to meet these objectives;
- evaluate different products comparing with competitors;
- develop a proper method to develop this set of products;
- provide the development resources.

Sales performance is positively related to organisation achievements and negatively affected by competitors' developments. Wright et al. (2002) mentioned the need of monitoring, understanding and analysing competitive environment as greater emphasis is placed on understanding customers and consumer approach.

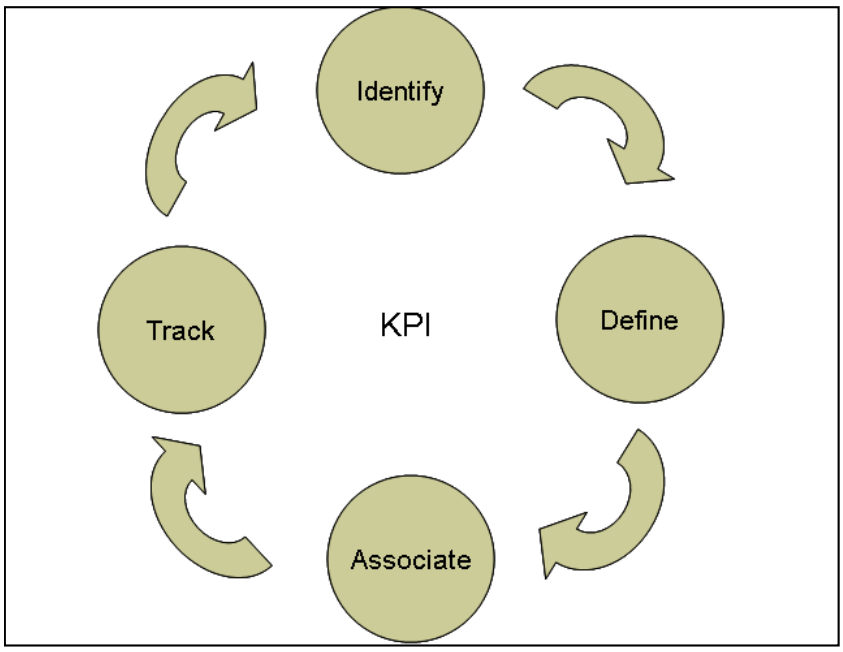
Then, a classification of the Key Performance Areas (KPA) was conducted followed by defining metrics for the most important business processes. As cited by (Kaplan & Norton, 1997), "the perspectives of the balanced scorecard are general key performance areas". These performance areas were captured based on the paths which were identified from the Strategic Objectives (SO) analysis. The potential areas were based on the S.B.I. The framework was structured following the external factors which the

organisation followed, the four defined areas from the Balanced Score Card approach and finally the employee satisfaction as a crucial area of sales performance.

6.3.5 Key Performance Indicators (KPI's)

The next step was to identify the Key Performance Indicators (KPI's) which were used in each perspective. Furthermore, as shown in figure 6:2, Eswar & Ramesh (2009) provide a four phase approach KPI cycle that includes the phases of "identify", "define", "associate" and "track".

Figure 6:2. KPI Cycle (from Eswar & Ramesh, 2009)



The phase “Identify” points out goals through goal modeling techniques. The phase “Define” utilises the KPI Classification framework and defines the characteristics of the KPI including the metrics, target range for the metrics and benchmark levels. During the phase “Associate”, KPI are linked to processes, business participants, business offerings (products/services) and programmes/ initiatives that affect objectives and goals. In the final phase, KPIs are benchmarked through data collection, data interpretation and reporting.

A schedule of planned activities and milestones were composed followed by the responsibilities of the involved staff and a systematic procedure for collecting the results. Performance figures had to be absolute and relative. Absolute figures could be summed totals, differences, averages, maximum, minimum values. Relative figures could be combined to create a new figure that provides aggregated information.

6.3.6 Balanced Scorecard

The first area covers the Balanced Scorecard with KPIs focuses on four different perspectives. A combination of financial and non financial indicators can be included. Anthony & Govindorajan (1998) claimed that "it is a tool for focusing the organisation, improving communication, setting organisational objectives and providing feedback on strategy". Kaplan & Norton (2001) state that users viewed the BSC as their "key communication vehicle for reporting, planning and budgetary". The balanced scorecard model has received criticism because it does not take under consideration employees' satisfaction, suppliers' performance, product, service quality, environmental and community perspective (Brown, 1996; Lingle & Schiemann, 1996; Maisel, 1992). Furthermore, the balanced scorecard has been criticized for being static and oblivious to the external environment (Norreklit, 2003; Voelpel et al., 2006). The cited limitations had been addressed by the proposed S.B.I. framework; S.B.I. has been extended to include analysis of external factors and employee satisfaction, as outlined in sections 6.3.7 and 6.3.8, respectively.

6.3.7 Employee Satisfaction

Employee satisfaction have been defined by Locke (1976) as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". It is the satisfaction of employees with their jobs or the degree to which employees are satisfied with their jobs (Spector, 1997). Employee job satisfaction and performance can be moderately related (Judge et al., 2001). A method which can be used for measuring employee satisfaction is a survey questionnaire with mainly closed questions. Hackman & Oldham (1975) suggested the following dimensions of employee satisfaction:

- overall satisfaction (working hours, conditions of work and reputation);
- employee relationships (relationships with co-workers);
- remuneration, benefits and organisational culture (salary, remuneration in the form of benefits and praise, promotion, education, job stability, organisational climate and culture);
- Employee loyalty'.

Within this framework, the main aim of measuring employee satisfaction concentrated with regards to motivation and involvement of the staff for a continuous improvement approach. It was considered a crucial factor of the sales performance to be part of the culture of the staff.

6.3.8 External Factors

The second area includes KPIs that dynamically account for the changes in the external environment. It is essential to monitor and analyse the main economic variables which reflect the status of the market. The political climate can influence the sales performance of an organisation in a positive or negative manner. For example, in the automotive retail sector a modification of the import tariffs could have dramatic effects.

Furthermore, the automotive retail sector is an extremely competitive environment with numerous competitors with comparable products and extended marketing activities. Competitive environment with their activities must be investigated in a structured way for potential new customers and sales channels.

Global Intelligence Alliance (2007) points out the need for competitive intelligence process in the organisation:

> "Today's business environment demands a comprehensive system for managing risks in the external business environment. Never before have the forces of globalization been as intense as they presently are. Most business executives feel that these forces of change will have a major impact on their organisations"

Kahaner (1996) states that "Competitive Intelligence is a strategic tool that allows top management to improve its competitive edge, by identifying the main propulsive forces and by foreseeing future market directions". An example of following competitor's development in the automotive retail sector might AUDI's strategy for extended products, that is vehicles augmented by financial and insurance services.

6.3.9 Tracking Key Performance Indicators (KPI's)

The following step of the S.B.I. framework is the presentation and tracking of the KPIs results. The reporting tool of the proposed framework was a spreadsheet software Microsoft Office Excel which is widely used (Ritter, 2003). This software was used to keep the KPIs results. Security requirements and different levels of access were referred in the design of the reporting analysis tool. Security policies ensured that data were protected and could only be properly accessed by authenticated users. Ranjit (2006) is concerned that with the KPIs dashboard "should be able to set security parameters based on user, group, and community type; sensitivity of the information; geographic region; and so on".

Furthermore, the reporting analysis tool provided a detailed view for every different KPI with the aim to identify specific areas for improvement.

6.3.10 Classification of Derived Actions

Based on the outcomes of the focus group, the results of the KPIs were allotted into four different classes of performance actions, that is, the training development, corporate communication, internal communication and internal procedures. The management team had to ensure that the system was constantly reviewed and upgraded to meet changing business needs and process requirements.

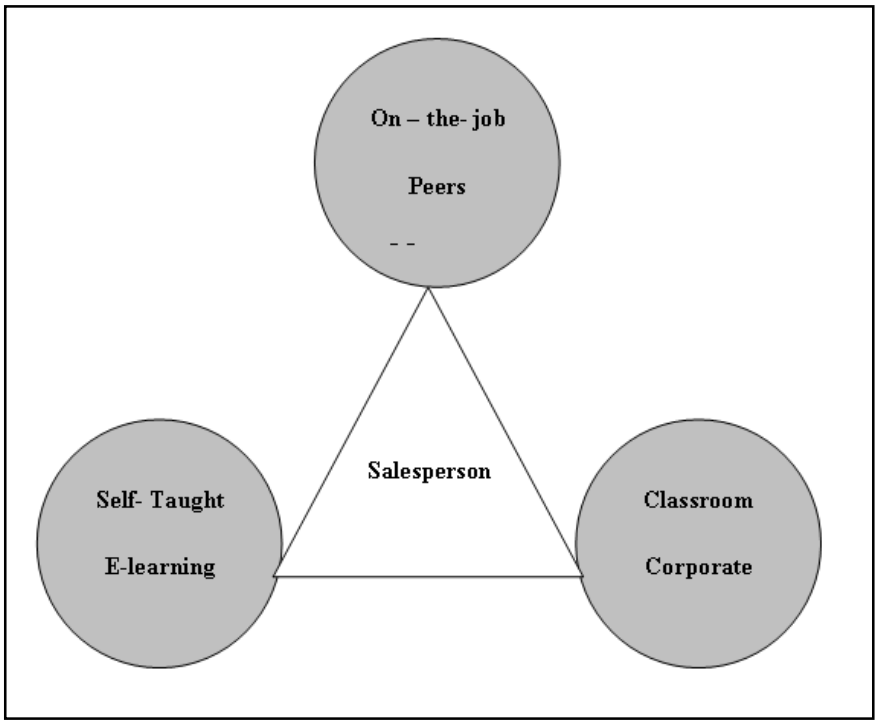
Corporate Communication

As van Riel (1992) states, corporate communication, can be retained as "marketing communication; organisational communication; management communication". Marketing communication can be characterised by any contact with the use of a range of marketing activities to promote the company, their products and their services. Examples of marketing activities are the website, radio, and printing. Organisational communication focuses on public relations, public affairs, investor relation. As Goczol & Scoubeau (2003) describe that management communication is focused on "transmit authority and to achieve cooperation with the organisation promoting their vision of the company".

Training Development

Learning and development in the sales organisations take place using blended learning methods. The most commonly used approaches are on-the- job training, individual learning, in-house courses and external courses (Churchill et al., 1997). Apart from these conventional training methods, blended learning methods are also used (Voci & Young 2001) as shown in figure 6:3. Blended learning can be described as "a learning programme in which more than one delivery mode is being used with the objective of optimising the learning outcome and cost of program delivery" (Singh & Reed, 2001). The blended learning joins a number of different learning methods, such as face to face training, training software, web-based courses, and knowledge management exercises. It is essential to prepare a business plan for developing blended trainings in an organisation based on the performance results of the S.B.I. framework. As Skipper (2000) points out, "lack of engagement has been shown to be one of the primary reasons why learners drop out of distance learning courses".

Figure 6:3. Blended learning methods capture the strengths of both e-learning and classroom learning (Voci & Young, 2001)



Internal Communication

Internal communication can take many different forms such as face-to face, informal meetings, email messages, letters, memos and reports. S.B.I. framework was used as the tool for a common effective communication for analysing issues in the sales performance of the organisation. Communication can have a positive influence on the participation of all the involved staff in the derived actions. Management staff should have the responsibility to inform people about their own results and the actions which have been decided.

Internal Procedures

S.B.I. framework performance results supported the continuous improvement approach of the quality management system of the organisation. Control was the ongoing development by assessing performance; taking corrective actions when needed. The quality management system can be any system which allows the organisation to establish its standard operating procedures. Many researchers extensively have the same opinion that the most well-known and applied method for quality management systems is the ISO 9000 series (Gustafsson et al., 2001). Chin et al. (2000) stated that "continuous improvement of the ISO 9000 quality management system is vital to monitor and improve the system".

6.3.11 Evaluation of derived actions

Evaluation of the derived actions aims to distinguish aspects that went well and others that did not, based on the performance results of the current month. It is a controlling procedure to support the continuous improvement concept helping to avoid repeating mistaken actions.

6.4 S.B.I. Compliance with design specifications

Globerson (1985), Maskell (1989) and Brown (1996) provide suggestions for performance measurement system design, these have been taken into consideration the S.B.I. framework (see Table 6.5). Evidently, the analysis below shows that the S.B.I. framework is a complete performance management system that takes into consideration the recommendations from the literature.

Table 6:5 S.B.I. framework comparing with the suggestions from Globerson (1985), Maskell (1989) and Brown (1996)

Source	Recommendations	S.B.I. Framework achievement
Globerson (1985)	"Metrics chosen from company's objectives and make possible comparison of organisations that are in the same business"	The metrics are derived from the SWOT analysis process taking in consideration the objectives of the organisation. The metrics can be compared with same business as an example between Mercedes – Benz Cyprus and Automaster.
	"Purpose, data collection and method of calculation clearly defined"	According to KPI's development matrix shows the characteristics of every different KPI where the results come from and what calculations were performed.

Source	Recommendations	S.B.I. Framework achievement
	"Ratio and objective metrics preferred to absolute numbers and subjective ones"	Performance figures might be absolute and relative. Absolute figures can be summed totals, differences, averages, maximum, minimum values.
	"Metrics under the control of the evaluated unit"	Based on the performance results derived action plans are established
	"Metrics selected through discussion of the people involved"	Metrics are derived through the SWOT analysis process
Maskell (1989)	"Metrics related to manufacturing strategy"	Vision and SWOT analysis are taken into consideration and manufacturing strategy for establishing metrics
	"non-financial metrics adopted"	KPIs can be included a combination of financial and non financial indicators based on the four perspectives of the BSC, external factors and Employee Satisfaction.
	"Metric should be simple to use and provide fast feedback"	KPIs are understandable and acceptable to the involved people in order to help them to make effective decisions

Source	Recommendations	S.B.I. Framework achievement
	"Metrics change as circumstances do"	KPIs is dynamically accounted for the changes in the external environment. Sales performance is influenced by the instability of changes in the external, local and international environment.
	Metrics should stimulate continuously improvement	Within this framework, the main aim of measuring employee satisfaction is concentrated with regards to motivation and involvement of the staff for a continuous improvement approach
Brown (1996)	Metrics should: represent the vital few versus trivial many	SWOT analysis identifies crucial factors for measuring
	Metrics should: be linked to vision, values, and key success factors	Vision and mission are the start point of the S.B.I. framework
	Metrics should: focus on the past, present, and future	KPIs are revised every month keeping history values for every month
	Metrics should: be linked to needs of customers, shareholders, and employees	S.B.I. framework takes in consideration employee satisfaction and SWOT analysis focus on customer and shareholders' needs
	Metrics should: flow down to all levels and be consistent	With S.B.I. framework all sales staff are involved

Source	Recommendations	S.B.I. Framework achievement
	Metrics should: multiple metrics can be combined into several overall indices of performance	KPIs might be separate to main and parent for detail analysis where is necessary
	Metrics should: be changed as strategy and the situation changes	Using Vision and SWOT analysis for the S.B.I. Framework support change in strategy and situations
	Metrics should: have targets or goals based on research	KPIs are derived from the SWOT analysis of the S.B.I. framework

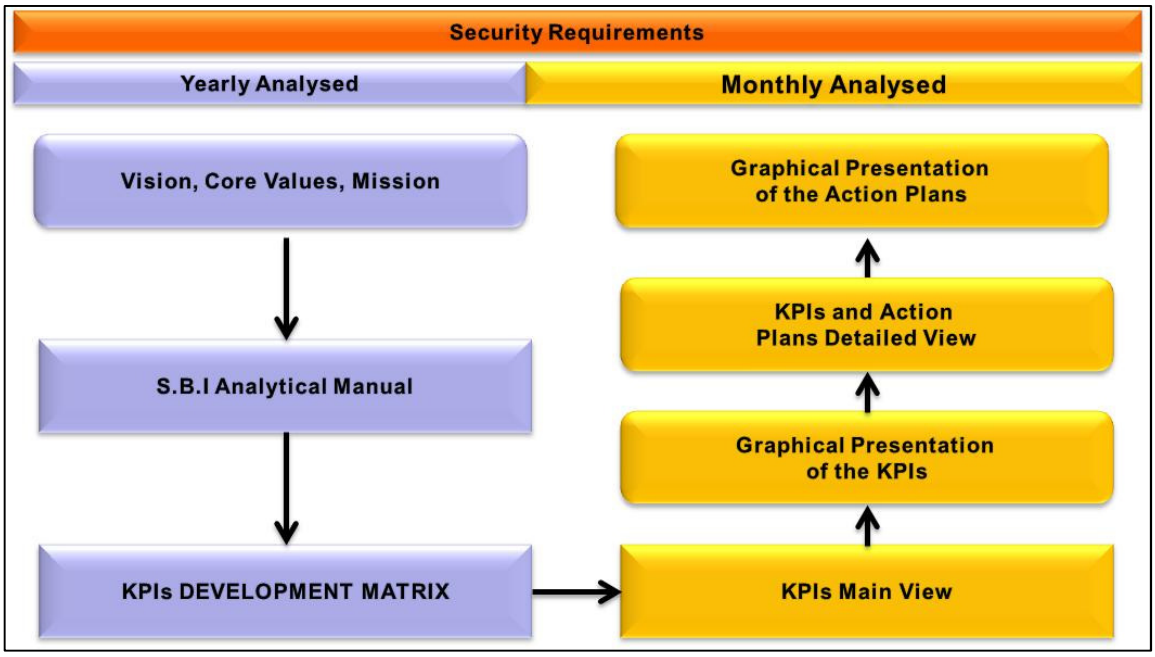
6.5 Reporting Analysis System Architecture

6.5.1 Overview of the system

The reporting and analysis software component of the S.B.I. framework had to be cost effective, user friendly and flexible enough to allow sufficient adaptability for future extensions and/or additional functionality. Software and hardware requirements had to be addressed in a cost efficient way to keep implementation costs low and to allow inexperienced users to interact with the system without any prior specialised ICT skills. Users had to be able to access the system remotely with access to real time data.

An overview of this reporting analysis tool is shown in figure 6:4.

Figure 6:4. S.B.I. Framework. Reporting analysis tool design



The reporting tool worked with two main time periods, namely, monthly and yearly reporting. The measurement frequency depended on each KPI's distinctive features, such as, how often the related information would change, or it would be collected, or other organisational requirements. In the automotive retail sector, most of the KPIs are updated on a monthly basis.

It is assumed that the vision, mission and core values of the organisation are clear to the management staff and are routinely checked during a yearly revision. Possible updates were to be introduced in the reporting analysis tool of the S.B.I. framework. Moreover, an analytical manual detailing the S.B.I. framework was to support users to build a logical structure that was to link the measurable KPIs with the strategic objectives of the corporation.

The KPI's development matrix shows the characteristics of every different KPI consisting of the operational definitions, the purposes of the KPIs, the frequencies of controlling, the types and the resources of data, the data collection responsibilities, the data collection tools and the data collection frequencies. An example of this KPIs metric matrix is presented in Table 6.6.

Table 6:6. KPIs Matrix Development

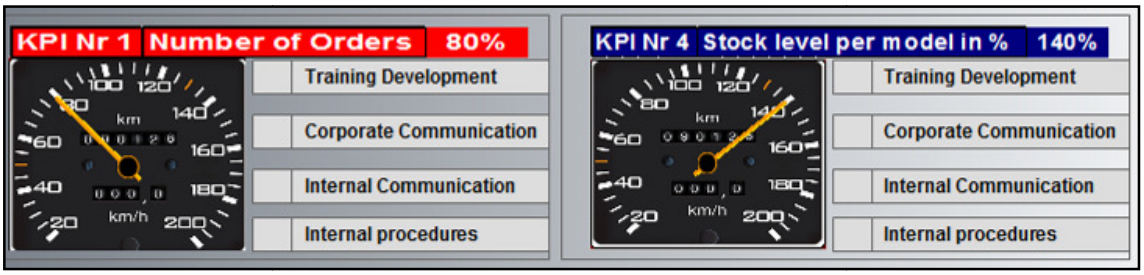
(Figures are indicative, for demonstration purposes, only)

KPIs MATRIX DEVELOPMENT								
No	Key figure	Shortcut name	Description	Period	Target Level	Tree Analysis	Data Source	Category
1	Order indicate	Orders Achievement	Number of orders per month	Monthly	Target Agreement	By Model	Monthly Report for Daimler A.G	Financial Percpective/ BSC
2	Number of Retails	Retails	Number of invoiced vehicles per month	Monthly	Target Agreement	By Model	Monthly Report for Daimler A.G	Financial Percpective/ BSC
3	Gross profit	Profitability	The difference between the sales price and the purchase price of a vehicle	Monthly	10%	By Branch	Financial internal reports	Financial Percpective/ BSC
4	Stock level per model in %	Stock level	The stock level per model must be not more of 1.5 times the average retails per month	Monthly	100%	By Model	Monthly Report for Daimler A.G	Financial Percpective/ BSC
5	Stock age per model	Stock Age	Number of stock vehicles more than 90 days in Cyprus per model	Monthly	100%	By Model	Monthly Report for Daimler A.G	Financial Percpective/ BSC
6	Customer Satisfaction Index	CSI	General Satisfaction with the sales process.	Monthly	>90%		CSI report	Customer Perspective/BSC

In the monthly reports, a consolidated view of all KPI's was included together with a graphical analysis. For example, styles of car speedometer graphs for presenting the performance for each of KPIs as shown in figure 6:5 were used. It is analogous to driving, where dashboards indicators are used for decision making.

Figure 6:5. S.B.I. Framework. Reporting analysis tool design

(Figures are indicative, for demonstration purposes only)



6.5.2 Data Modelling implimentation

The data modelling approach identified what information should be stored in the database. It was designed to take into account the above current and future needs in order to support offer a flexible and a structured reporting analysis tool.

An Entity Relationship Diagram (ERD) presented a graphical analysis of the tables in the database and the relation between them. Figure 6.6 shows the Entity-Relation Diagram of the reporting analysis tool.

The Entity-Relationship modelling as Chen (1976) describes is based on three parts:

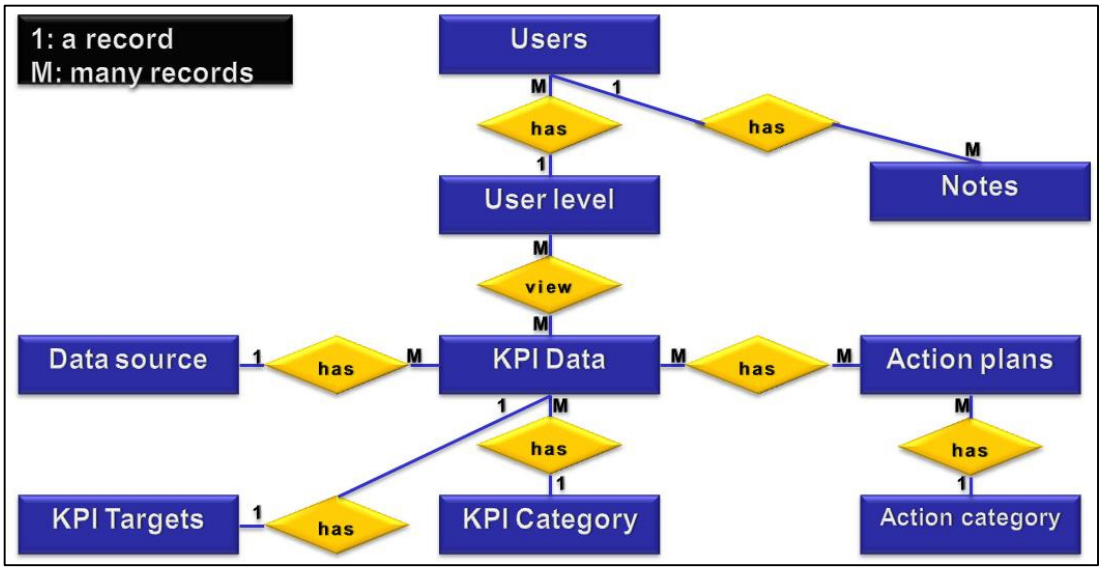
- ‘Entities
- Relationships between entitles
- Attributes of entitles or relationships’

The entities are designed by a “rectangle”, while a “diamond” represents the relation between them and a “diamond” within a “rectangle” symbolize a connect entity.

The cardinality shows the relationships between tables with the following types:

- one to one (1:1), every record in first table matches exactly one record in the second table and every record in second table matches exactly one record in the first table;
- one to many (1: M), every record in first table matches zero or more records in the second table and every record in second table matches exactly one record in the first table;
- many to many (M: M), every record in first table matches zero or more records in the second table and every record in second table matches zero or more records in the first table.

Figure 6:6. Entity-Relation Diagram



Each KPIs measurement was stored in the central data repository. Managers were able to see the final results for each KPIs and derived action plans for each period. Each KPI was associated with a measuring frequency, target values and a method to collect and process the required data. Additionally, for each KPI's an action plan was established. The resulting dashboard was integrated into the processes of the organisation. All members of the management team were assigned to specific roles and responsibilities. During the design phase of the application, it was noticed that there was no provision for systematically collecting issues and concerns in the reporting analysis tool. The functionality of a note taking feature had been included in the dashboard. In this way, the management team could record any issues for discussion in the next available monthly meeting. This was also used to link daily concerns with S.B.I. framework findings.

6.5.3 Database Design

Based on the Entity-Relation Diagram, each of the entities was converted into a table. The attributes (fields) of each of the entities in the system are shown below. The database, as seen in the server contained a total of 10 tables, each having relationships with one another and containing the table structures and restrictions for the storage of all data for the reporting analysis tool system using. The system used only one relational database, named "DATABASE" with the actual information being categorised and distinguished along the different tables of the database. Tables had one primary key which was unique, might had foreign keys as common field which as relational database could be used to build up a relationship between tables. Structure concept was to have

more tables and fewer cases of data duplication within a database giving flexibility for changing and further development.

The first table of the database was called "KPI DATA" and it held information for every different KPI per month (Table 6:7). The user could use this table in order to retrieve updated with information about KPI results per period.

Table 6:7. KPI DATA table structure

Table: KPI DATA (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
id	Text	*, PK	Represents the id of the record
kpi id	Text	*, FK	Represents the id of the Key Performance Indicator
kpi value	Integer	*	It is the measured value for a period
Measurement period	Text	*	Represents the id of the period of the measurement
Comments	Text		Any comments

The second table of the database called "KPI TARGETS" included data for every different KPI targets level in a specific period (Table 6:8).. Every target level had to be established in this table for the specific period. It was linked to the table "KPI DATA" using the "kpi id" field which was common to both tables.

Table 6:8. KPI Targets table structure

Table: KPI TARGETS (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
kpi target id	Text	*, PK	Represents the id of the KPI Target Level
kpi target value	Integer	*	It is the target value for a specific period
kpi id	Text	*, FK	Represents the id of the Key Performance Indicator
comments	Text		Any comments for this KPI Target

The third table of the database called "KPI CATEGORY" presented the possible categories of every KPI based mainly on the six different perspectives which it included in the S.B.I. framework (Table 6:9). These were the four perspectives of the BSC, the employee satisfaction and the external factors.

Table 6:9. KPI CATEGORY table structure

Table: KPI CATEGORY (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
kpi category id	Text	*, PK	It is the id category of the KPI based on the perspectives of the BSC
description of category	Text	*	Description of the KPI's category
comments	Text		Any comments

The fourth table of the database called "DATA SOURCE CATEGORY" presented the category of the retrieved data source (Table 6:10). For example it could be the monthly report for Daimler A.G, the sales funnel report and other data sources.

Table 6:10. DATA SOURCE table structure

Table: DATA SOURCE CATEGORY (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
data source category id	Text	*, PK	It is the category of the data sources
description of data source category	Text	*	Description of the category of the data sources
comments	Text		Any comments

The fifth table of the database called "USER LEVEL" categorised the different levels for the users, which of the KPIs could be viewed or edit (Table 6:11). It had defined three main levels the salesman who could view some of the KPIs, a manager who could view all KPIs and finally administrator who could view and edit any of the KPIs.

Table 6:11. USER LEVEL table structure

Table: USER LEVEL (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
user level id	Text	*, PK	It is the id for user level which is defined the level of access for every user of the system
description of user level	Text	*	Description of the user level
comments	Text		Any comments

The sixth table of the database called "USERS" represented the dataset of the users with their characteristics of accessing information (Table 6:12). It was linked to the table "USER LEVEL" using the "user level id" field which was common to both tables.

Table 6:12. USERS table structure

Table: USERS (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
user id	Text	*, PK	It is the user id for every unique user of the system
user name description	Text	*	Name of the user
user level id	Text	*, FK	It is the id for user level which is defined the level of access for every user of the system
status	Text	*	Active or inactive user
username	Text	*	username for login to the system
password	Text	*	Password for login to the system
comments	Text		Any comments

The seventh table of the database called "ACTION PLAN CATEGORY" (Table 6:13). It categorised the different action plans in four different categories based on the S.B.I. framework, training development, corporate communication, internal communication and internal procedures.

Table 6:13. ACTION PLAN CATEGORY table structure

Table: ACTION PLAN CATEGORY (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
Action Plan category id	Text	*, PK	It is the id for plan categories
Description	Text	*	Description of category action plan
Comments	Text		Any comments

The eighth table of the database called "ACTION PLANS" (Table 6:14). It recorded the action plans for every KPI for a specific measurement period. Every action plan was defined by its measurement period and it had a starting date by following a revised date. This structure supported to organise the revised procedure of the different action plans. It was linked to the tables "ACTION PLAN CATEGORY" using the 'Action Plan category id' field, "KPI DATA" using the "kpi id" field which were common to tables accordingly.

Table 6:14. ACTION PLANS table structure

Table: ACTION PLANS (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
Action plan id	Text	*, PK	It is the action plan id for every action plan for a specific measurement period
Action plan description	Text	*	It is the description of the action plan
Action Plan category id	Text	*, FK	It is the id for plan categories
kpi id	Text	*, FK	Represents the id of the Key Performance Indicator
measurement period	Text	*	Represents the id of the period of the measurement
user level id	Text	*, FK	It is the id for user level which is defined the level of access for every user of the system
Date start action plan	Date	*	It is the starting date of the action plan
Date revised action plan	Date	*	It is the revised date of the action plan
comments	Text		Any comments

The ninth table of the database called "KPI SET" included every unique KPI with its characteristics (Table 6:15). Every KPI had a description, a category of the KPI based on the perspectives of the BSC, a frequency of measurement, data source category, a description of methods for retrieving data, the level of the KPI as main or parent, user level for each KPI categorised who had access. It was linked to the tables "KPI CATEGORY" using the "kpi category id" field, "DATA SOURCE CATEGORY" using the "data source category id" field, "USERS" using the "user id" field which were common to tables accordingly.

Table 6:15. KPI SET table structure

Table: KPI SET (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
kpi id	Text	*, PK	Represents the id of the Key Performance Indicator
kpi category id	Text	*, FK	It is the category of the KPI based mainly on the perspectives of the BSC
frequency of measurement	Text	*	Represents the id of frequency of measurement
data source category id	Text	*, FK	Represents the id of category of the data source for this specific KPI
kpi level	Text	*	Define if the specific KPI is main or parent
user level id	Text	*, FK	It is the id for user level which is defined the level of access for every user of the system
method retrieved data	Text	*	Short description of method of retrieving data
comments	Text		Any comments for this KPI

The tenth table of the database called "NOTES" included "USERS" using the "user id" field which were common to tables accordingly (Table 6:16).

Table 6:16. NOTES table structure

Table: NOTES (*= required, PK= Primary Key, FK= Foreign Key)			
Name	Type	Key	Comments
NOTES id	Text	*, PK	Represents the id of the Key Performance Indicator
Notes	Text	*	Notes from the user
user id	Text	*, FK	It is the user id for every unique user of the system
Date entry	Date	*	It is the entry date of the notes
comments	Text		Any comments for this KPI

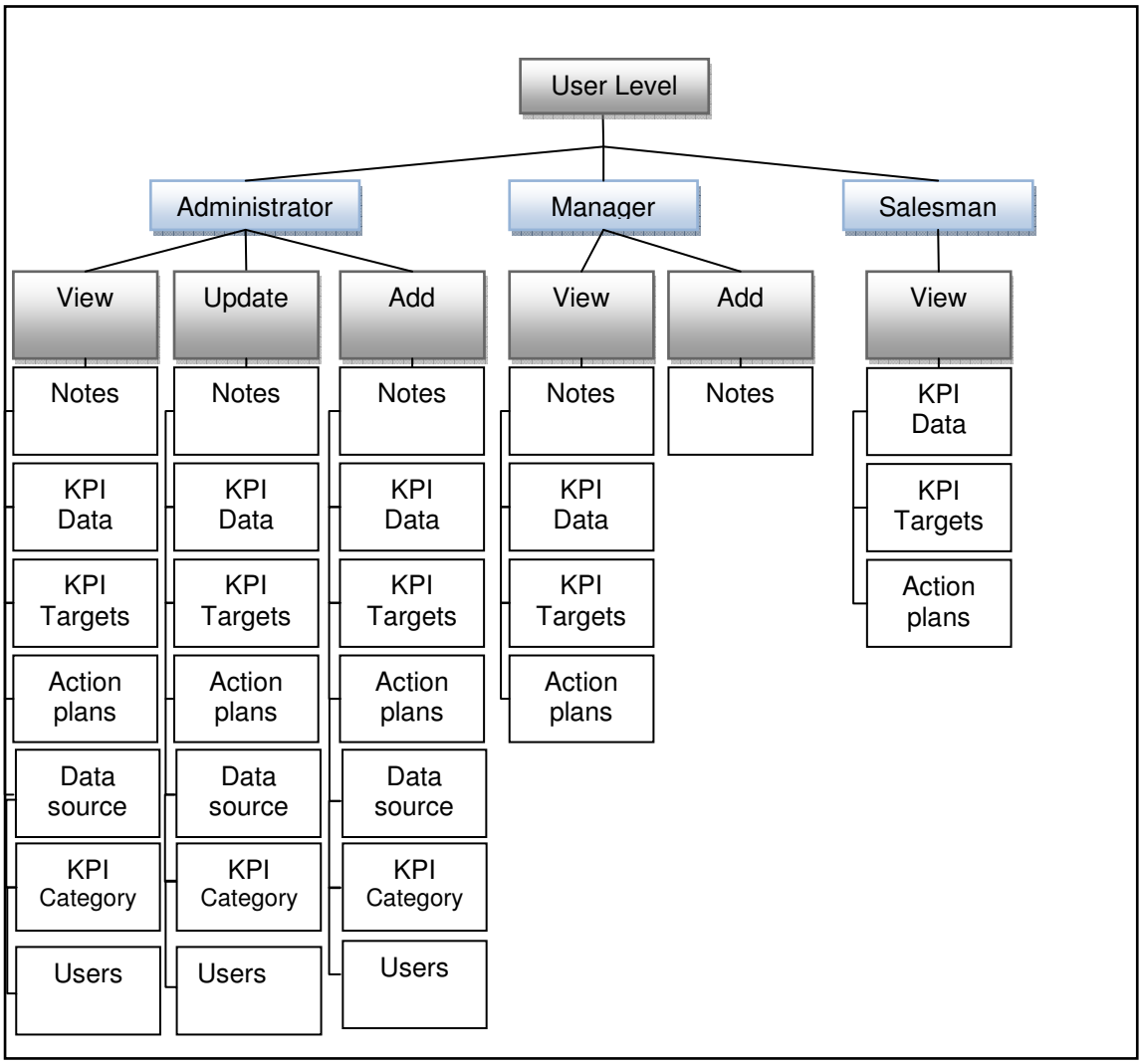
6.5.4 Process Model

The Process Model included the following tools Functional Decomposition Diagram and Data Flow Diagram. The Decomposition Diagram analysed the data process while the Data Flow Diagram showed the data flow from one table to another to retrieve the necessary information.

A Functional Decomposition Diagram presented the hierarchical structure of the system. It aims to break down a complex system into functional components for supporting the

development of a more detailed process diagram, such as the data flow diagram. The Functional Decomposition Diagram for the reporting analysis tool is shown in figure 6.7.

Figure 6:7. Functional Decomposition Diagram



Each user in the system was classified in a user group level. Each user group level could have a number of users with appropriate privileges. User roles were only to be assigned or changed by System Administrators. Every user had a unique username and password that allowed him/her access to the system.

The user groups were as follows:

The Salesman user group contained only sales performance reports with access rights pre-approved by the sales director. Mainly, these reports were based on KPIs without any financial background.

The Management staff user group had user roles that enabled them to access all reports of the reporting tool.

Administrators were to have access to all system modules, moderation privileges, access to log files and company variable changes. Most of the measured data were identified in the reports and were evaluated by Daimler A.G.

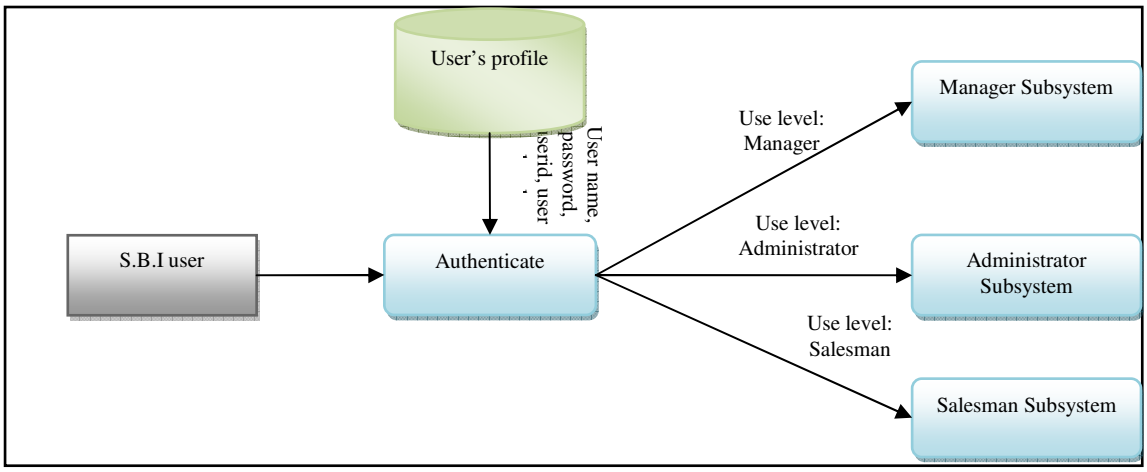
6.5.5 Data Flow Diagram

The Data Flow Diagram (DFD) was the graphical demonstration of the processes and the flow of data on the system. DFDs were probably the most widely used specification tool to "Structured Analysis" which represented information flow in the system (Gillies, 1997, Yourdon, 1989). It presented the interaction between processes, data stores and external entities. The four components of the DFD diagram were:

- External Entities/ Terminators which represented the direction of information. They were symbolised by rectangles shapes;
- Processes which were the methods for preparing the output using the data. They are symbolised by ellipse shapes;
- Data Stores which were the electronic stores of data. They were symbolised by open-ended rectangles or Disk symbols;
- Data Flows which were the moves between external entities/ terminators, processes, and data stores. They were symbolized by the arrows.

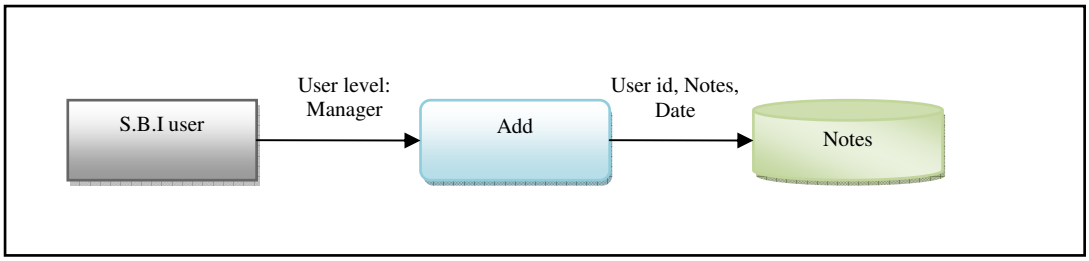
Figures 6.8 to 6.12 are the DFDs diagrams for the reporting analysis tool system. To login to the system the user had to be authenticated. Based on his/her user level, the user was directed to the respective form. The DFD for the user authentication process is shown in figure 6.8.

Figure 6:8. DFD User Authentication



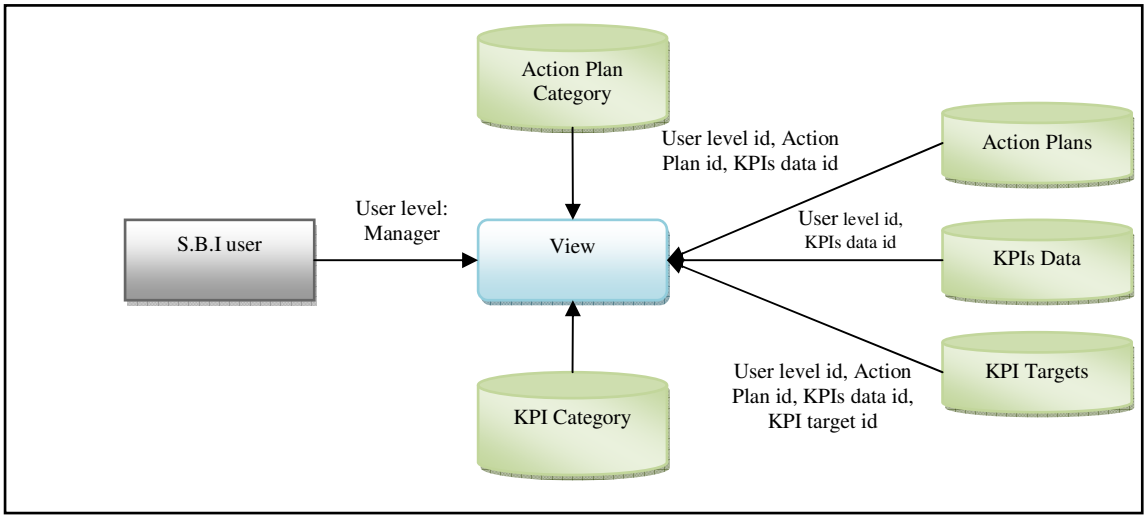
An authenticated manager user level could add new notes or view the KPIs data and the Action plans. The detailed DFDs for the Manager subsystem are shown in figure 6:9 and 6:11 respectively.

Figure 6:9. DFD Manager subsystem, Add Notes



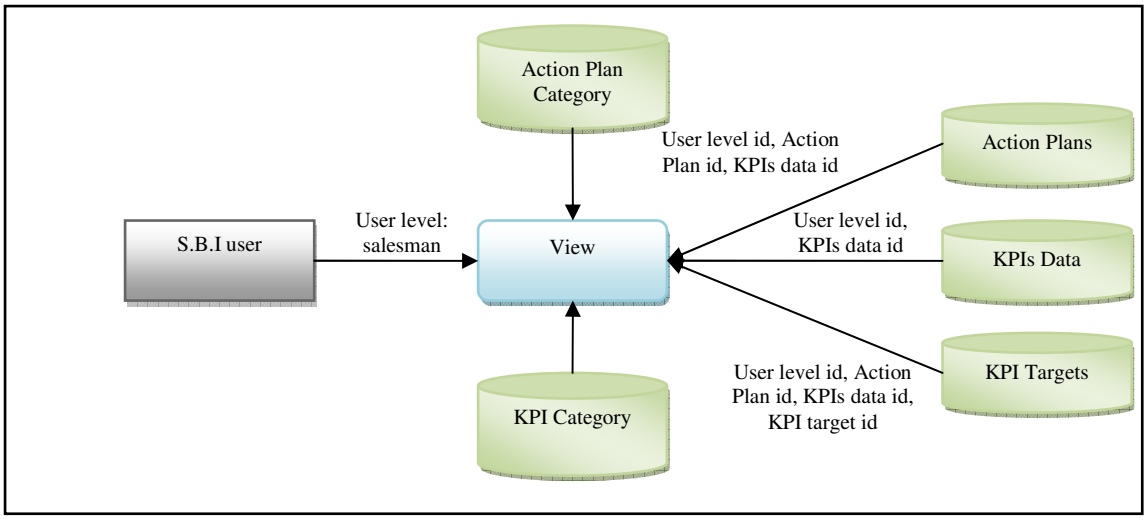
An authenticated manager user level could view information about any KPIs data, along with the relevant details of the Targets and Action Plans. The DFD for the view of the Manager subsystem is shown in figure 6:10.

Figure 6:10. DFD Manager subsystem, View KPIs Data, KPI Targets, Action Plans



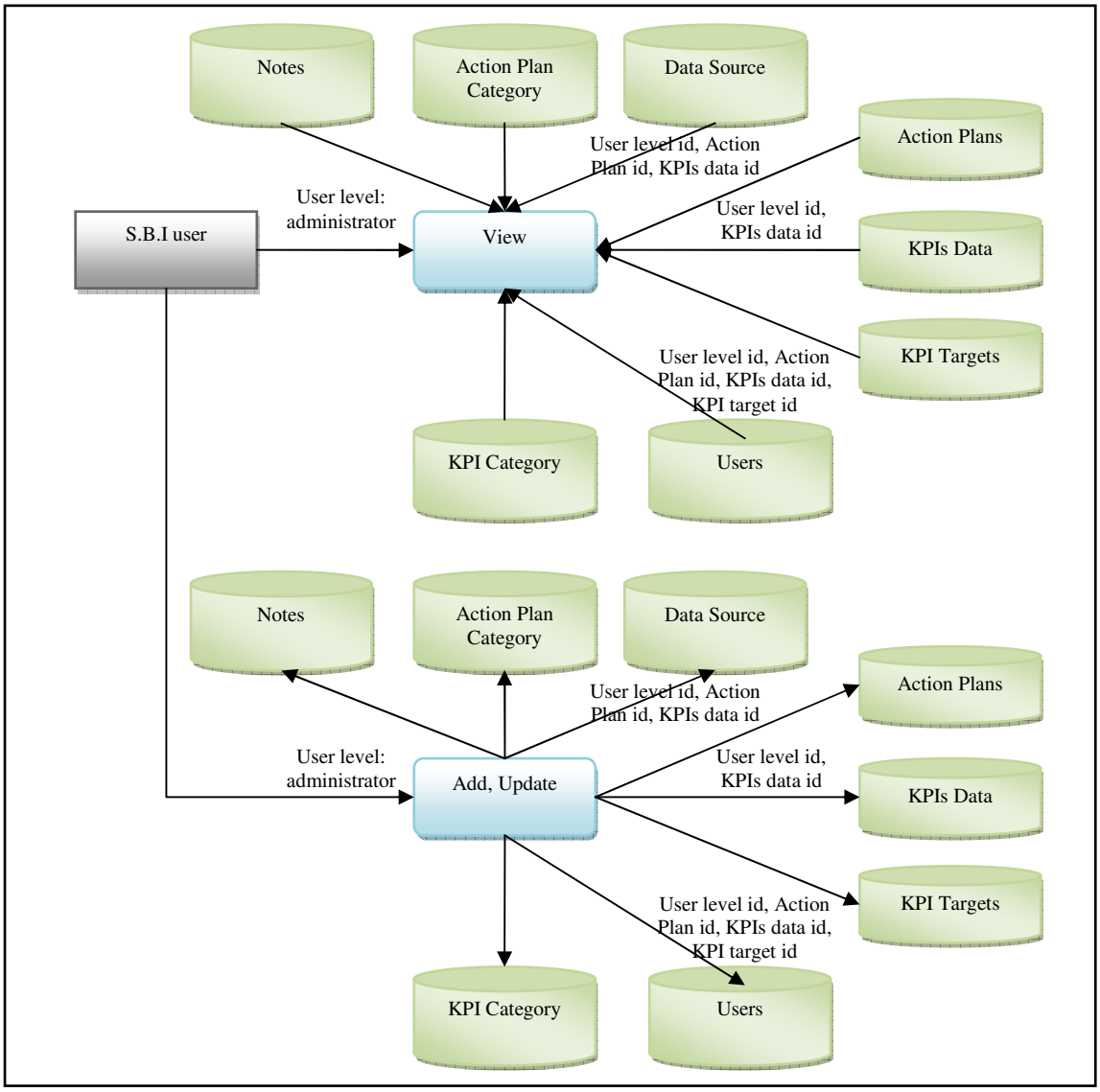
An authenticated salesman user level could only view information specific KPIs data, along with the relevant details of the Targets and Action Plans. The DFD for the view of the salesman subsystem is shown in figure 6:11.

Figure 6:11. DFD Salesman subsystem, View KPIs Data, KPI Targets, Action Plans



An authenticated administrator user level could add, view and update information in any table of the system. The three DFDs diagrams for the administrator subsystem could be combined as shown in figure 6:12.

Figure 6:12. DFD Administrator subsystem, View; Add; Update



6.5.6 User Interface Design

The results were presented in the monthly management meeting where the running action plan was evaluated and was updated based on the results of each month. Microsoft Excel was used for developing the dashboard. The feedback of the sales management team had guided the design and development of the dashboard. It presented KPI's number with its description, KPI's measurement value and target level for a specific period in monthly and year to end level. Based on the above measurement and a target value, it was calculated by the administrator of the system the performance achievement in percentage scale. Additionally the four main different kind of the action plans of the S.B.I. Framework are integrated in the dashboard for every different KPI's

with including the names of the responsible persons for executing its action plan, as shown in figure 6:13.

Figure 6:13. Dashboard example KPI's integrated with Actions Planning

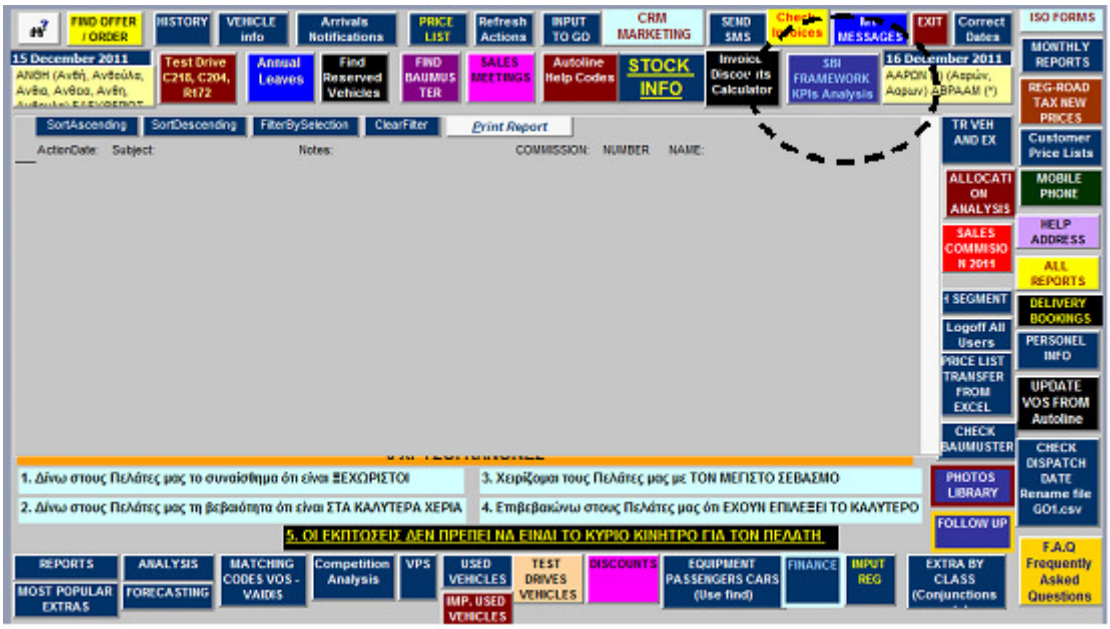
Period	1	Year	2012	Main Menu							
KPI No	Number of Orders						Actions Planning				
	Orders	Target	Perfor..	Year To date	Target	Perfor..	1. External Communication	2. Training Development	3. Internal procedures	4. Internal Communication	Responsibility
3	76	71	107%	159	144	110%					

Using this style of dashboard, the actions which derived from the results of the KPI's could easily be followed.

The reporting analysis system database was installed on the local company server using a Microsoft Excel file for the data records and the interface for the reporting module on the Citrix server which every user had already access.

Reporting analysis tool system to function correctly is needed only Microsoft Excel and Microsoft Access to be installed on Citrix server. It was integrated in the main live information system of the sales department at Mercedes-Benz Cyprus as shown in figure 6:14. This helped to make the performance information more transparent and visible, creating a linkage between the current critical problems and the action plans which was to be fulfilled.

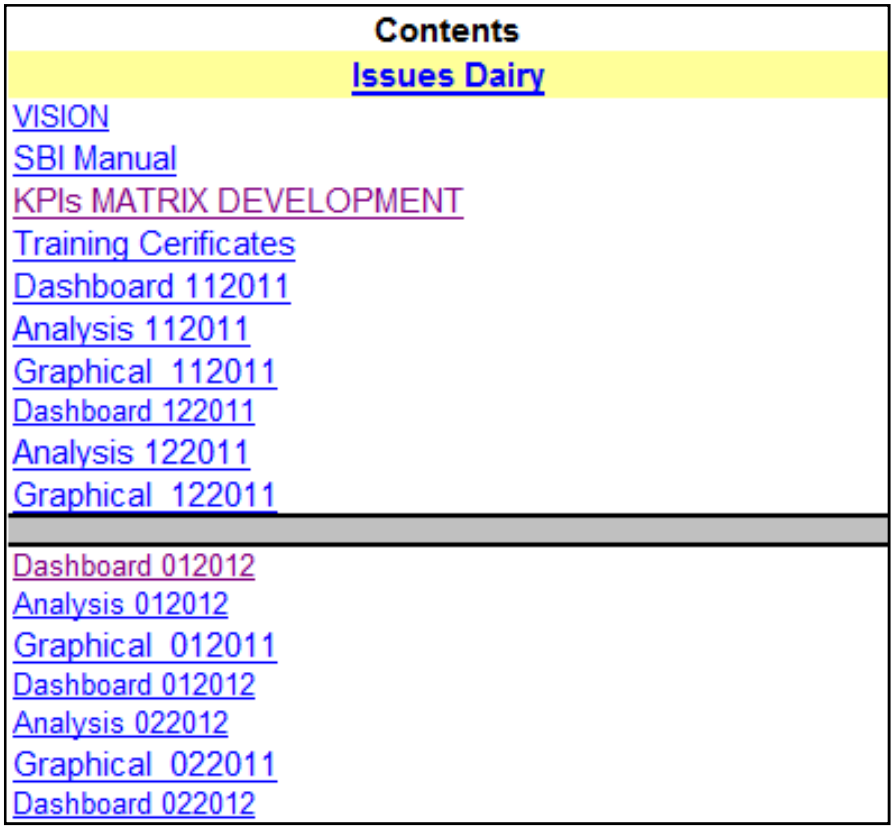
Figure 6:14. S.B.I. installed in the live information system for the Sale Department at Mercedes-Benz Cyprus



Users could navigate to the Login Page of the by clicking on the "S.B.I. FRAMEWORK KPIs Analysis" button on the main window screen of the live information system for the Sale Department at Mercedes-Benz Cyprus. The Graphical User Interfaces (GUIs) of the reporting analysis system starts from visiting the front end content page, the different reports and interacting with the different modules of the system. All the information which the user could view on the system, based on his/her access level, was read only except from the administrator who could edit and modify any information.

When a user visited the system, the first page he/she could see was the contents page as shown in figure 6:15. This page included a navigation menu with links to various pages. When a user followed a link from the content page he/she was redirected to one of the other pages of the system.

Figure 6:15. Reporting analysis tool, content page



Following the first link, a user could find information about the vision of the organisation. This aimed to remind to the management team and salesmen what the organisation was trying to achieve.

The second link provided guidelines about the policies, procedures and requirements for the development of this framework. Based on the literature review and the research outcomes, it provided a relevant answer to frequent asked questions regarding the steps of the S.B.I. framework.

The third link was the KPIs matrix development and it provided information about the characteristics of the KPIs regarding the name, description, data source, targets and category.

An important section of the reporting analysis tool was the training certificates. In order to follow up all training activities included in the training planning, a detailed report on training was included in the system. It could be used as a report for monitoring training performance and providing ongoing feedback to employees on their progress toward reaching their training tasks.

For every measurement period three main reports are developed, the dashboard, the analysis and the graphical report. The dashboard report included only the main and critical KPIs results for the measurement period, following the style of the BSC

reporting approach. Additionally for every dashboard report a graphical report was developed in style of car speedometer graphs for presenting the performance for each of KPIs as shown in figure 6:5.

The development of the reporting analysis tool was under continuous review and improvement. Feedback from the users was collected through an evaluation form distributed at each monthly meeting.

6.6 Development of the proposed framework

The proposed S.B.I., as an integrated framework for measuring and managing sales performance, was developed and empirically tested in the host organisation. The framework was viewed as the main management decision tool of the sales and marketing department. The actual implementation of the framework followed a step by step procedure.

Before the implementation procedure, it was clarified who would lead this project. The researcher was nominated to have the responsibility to develop and establish an effective method of measuring and managing sales performance and align KPIs with the strategic elements of the board of directors of the organisation. He had the commitment and support of the senior management of the organisation. Information sensitivity was acknowledged as well as the data that belonged to the organisation and had to be treated with uttermost respect and maintained in a secure environment at all times.

The implementation of the S.B.I. framework was divided into four phases:

- SWOT Analysis development;
- Establishing Key Performance Indicators;
- Technical implementation;
- Training for organisational integration.

The SWOT Analysis sought to align the vision and strategy of the organisation with the crucial areas for measurement and analysis. It proposed six main potential areas for improvement based on the four perspectives of the BSC extending the employee satisfaction and the external factors. Through the SWOT analysis, a specific set of dimensions was identified; these dimensions provided guidance as to which KPIs were to be measured and analysed. Furthermore, the data resources that could be used to derive KPIs' measurements were identified. Most of them already appeared in various reports periodically prepared for the principal Daimler A.G. organisation. To facilitate the operational requirements of the proposed S.B.I., it was decided that the analysis

reporting tool would run on a monthly basis at a time that followed the completion of the monthly reports which were sent to the principal Daimler A.G. organisation.

During the phase of establishing the Key Performance Indicators, the crucial areas were mapped and quantified into measurements. It was decided that the target values of the KPIs will be identical to the target agreements that are updated in the annual contracts with Daimler A.G.

During the technical implementation phase the procedure to retrieve the data measurements for each KPIs was developed. Additionally, the dashboard for tracking the KPI's has been developed. As cited by Fukushima & Peirce (2011), the "dashboard is a cockpit-like panel to monitor performance indicators, where management staff will be able to directly access overall key performance indicators through a control panel system and make decisions by evaluating the existing values of the indicators with the expected targets".

The automotive retail sector is dynamic and competitive in nature with special dimensions. Based on the research outcomes of this research project, a set of KPIs was developed and validated with above case study in the Mercedes-Benz Cyprus and in the Automaster Ltd. Both organisations imported passenger's cars from the manufacturer and selling them through their own network. These KPIs covered the main crucial factors which were identified in this research for improving sales performance in a selling automotive company. These sets of well-defined measures are common for any dealership in the automotive business. The target levels may vary from dealer to dealer based on the strategic approach and kind of selling vehicles.

Collin (2002) argued that developing KPIs must be in consideration the following crucial factors.

- "KPIs must be in a limited number giving the possibility for a regularly changing and managing for supporting the derived action plans.
- KPIs must giving measures for the crucial output of the business,
- KPIs will need to be flexible for a changing or modification,
- Graphic displays of KPIs need to be understandable,
- The systematic use of KPIs is essential as the value dynamic of the business environment changing dramatically very often,
- Data collection must be made as simple as possible without sacrificing accuracy,
- KPIs must be understandable and acceptable for the involved people in order to help them to make effective decisions".

Based on the researcher's developments in his professional practice and experience in designing and implementing intelligence reporting analysis tools the reporting analysis tool was developed following on a System Development Life Cycle or SDLC.

Additionally, supporting documentation was composed in order to facilitate the implementation of the S.B.I. framework. This was seen as an important and essential step towards the implementation of the proposed theoretical approach.

Furthermore, the sales management staff complained about the timing of the provided results. More specifically, they complained that they received the monthly results of the S.B.I. very close to the monthly management meetings. As a result, they did not have time to review the report. The reporting analysis tool was modified and now the results are ready four days before the monthly meetings.

To ensure that the management team had a clear understanding of the S.B.I. framework, a face to face training session was scheduled. Training addressed several issues that needed to be clarified to support management decisions in an efficient and effective manner. Additionally, it was emphasised in the management team that they should engage their staff in the development process of the derived action plans.

6.7 Findings from the post-framework design focus group: Host organisation management assessment

A first question on which was posed to the focus group investigated the potential lack of important performance factors affecting sales performance in the host organisation. The management team took the first results from the development of the proposed model covering a period of two reporting months. The management staff was allowed to identify critical variables which might support the improvement of the framework.

Based on the PMMI (2006) suggested framework to support the selection of the appropriate model, the following criteria aligned with the criteria of the section process of the potential models or frameworks.

- Scope: Is the S.B.I. framework suitable for the Mercedes-Benz Cyprus?
- The results: Is the analysis appropriate for the development of the necessary action plans?
- Staff involvement: Do you find the involvement of staff in the S.B.I. framework for measuring and managing sales performance in Mercedes-Benz Cyprus sufficient?
- Flexibility: Can this model or framework remain an integrated, efficient and effective tool for the Mercedes-Benz Cyprus now and in the future?

The participants were asked to verbally select one of the following answers, according to them for each criteria for the assessment of the S.B.I. framework: “Strong acceptable” if they believe that is suitable for the organisation; “Neutral acceptable” if they consider that could be used; Low acceptable if they believe that precise criteria are not fully filed. Their responses were recorded in written notes in order to the research process. Their responses were analysed based on criteria on a scale of 1 to 3 with each respond converted to a value. A dummy value of 1 was given for strong positive acceptance. A dummy value of 2 was given for neutral acceptance. A dummy value of 3 was given for low acceptance. The results are presented through a sample in table 6.17.

Table 6:17. Sample of data records

Participant	Category	Acceptance	Value
Participant1	Scope	Strong	1
Participant1	Results	Strong	1
Participant1	Staff	Neutral	2
Participant2	Flexibility	Strong	1
Participant2	Scope	Strong	1
Participant2	Results	Strong	1
Participant2	Staff	Low	3
Participant2	Flexibility	Neutral	2
Participant3	Scope	Strong	1
Participant3	Results	Strong	1
Participant3	Staff	Neutral	2
Participant3	Flexibility	Strong	1
Participant4	Scope	Neutral	2
Participant4	Results	Neutral	2
Participant4	Staff	Strong	1
Participant4	Flexibility	Strong	1
Participant5	Scope	Strong	1
Participant5	Results	Low	3
Participant5	Staff	Strong	1
Participant5	Flexibility	Neutral	2
Participant6	Scope	Strong	1
Participant6	Results	Strong	1
Participant6	Staff	Strong	1
Participant6	Flexibility	Strong	1

Acceptance	Value
Strong	1
Neutral	2
Low	3

Analysis of the data carried out with the use of Microsoft Excel, using the pivot table tool. This provided the following descriptive statistics which indicated significant testing between the means of these four criteria above as shown in Table 6:18.

Table 6:18 Evaluation of the S.B.I. framework

Category	Means	Variance
Scope	1,167	0,167
Staff	1,667	0,667
Flexibility	1,333	0,267
Results	1,500	0,700

The results with the lower mean and variance reflected management staff significant positive assessment of the specific criteria. A mean close to value 1 presented a positive response from participants and a variance close to value 0 presents a low variation of their answers.

It was found that the criteria of the "results" had the highest variance. This could be explained by the fact that management staff were asked to include key performance indicators not only for the overall performance of the company but also for the level of each branch. It was agreed that some of the KPIs had to be analysed additionally to the level of the branch.

Another category of criteria with high variance was the "staff". The main reason for this could be that branch managers were highlighted that this framework had to allow them to pass on the necessary action plans to their sales staff. Furthermore, it seemed necessary to have the results at the branch level for comparing branches performance in order to identify specific areas for improvement.

> "…I would like to know the performance of my branch every month. Especially KPIs as, our sales performance comparing with our competitors and our order income…"
>
> Participant 1
>
> "… Our framework must also be aligned with the target agreements in the branch level…"
>
> Participant 2
>
> "… I believe that this tool can help us to monitor our performance..."
>
> Participant 3
>
> "…The financial figures must be explained in more detail with emphasis in our costs…"
>
> Participant 4

For the remaining of the criteria, the statistical results showed values close to 1 and variance close to 0 as evidence that management staff perceptions were generally positive for the effectiveness of the proposed framework.

During the focus group, it was supported that measuring employee satisfaction during the period of the financial crisis might not show accurate and reliable results. Staff felt stressed that they might lose their jobs during the financial crisis, its effect on job satisfaction results, and any effects stress might have on sales performance. It was decided to have meetings with the sales staff with the aim to encourage employee

commitment. In addition, Employee Satisfaction measurement was to be postponed in taking first results at the end of next year.

> "…In my opinion it is not the time to have an employee satisfaction measurement. People are afraid loosing their jobs during this economic crisis. They hear that our competitors are firing staff. The results will not show a real picture of the employee satisfaction level…"
>
> Participant 1
>
> "…I agree that we have to postpone measuring our employee satisfaction. I suggest having first results in the end of this 2012…"
>
> Participant 3
>
> "…staff is felt that our future is not stainable, our competitors have already fired 50 people…"
>
> Participant 4

Another important issue that was identified was related to the delegation of roles and responsibilities in developing this framework. It was critical to allocate a project manager. A project manager/ facilitator had the responsibility to develop, collect, analyse data resources and prepare the reporting analysis tool of the S.B.I. framework. The project had to be planned as a standard management process. For this research project, the researcher had the dual role of facilitator and project manager of the implementation and running of this sales performance framework.

> "…We need to ensure that this project will continue every month. Everybody must follow their tasks in order to have accurate results on time supporting us taking the necessary action plans…"
>
> Participant 1

The management staff had recognised their responsibility for the implementation of the action plans which derived from the S.B.I. framework. Furthermore, it was decided to report who was taking the responsibility for every different action.

> "…the reporting tool must show who is responsible for every different action. We need to know what we have to do or from whom we have to wait an action…"
>
> Participant 4
>
> "…We need a reference report stating what needs to be done every month…"
>
> Participant 5

The second question posed to the focus group focused on accuracy and on time results, which were expected to come from the proposed framework. From the perspective of the sales director and his/her assistant, who had the responsibility of the data sources of the KPIs, it was confirmed that the results were accurate, as the same data were used for producing the monthly reports for the principal Daimler A.G. It was mentioned that the

performance results had to be given to the management team at least four days earlier than the monthly meeting in order for them to have enough time to study them and make comments.

> "…All the data sources which are used for the KPIs are coming from the different reports which are reported to the factory…"
>
> Participant 1
>
> "…We need to have the results earlier than the monthly meeting in order to understand our sales performance…"
>
> Participant 3

The third focus group research question focused on the simplicity and depth degree of the proposed framework. From the discussions, there was evidence that it was necessary to develop two different final reports for presenting the KPIs results. The first report was to give a clear picture of the performance for every different perspective and the second report focused on analysing in depth every main KPIs. The four different categories of the action plans were clearly seen to be part of the detailed report in aiming to enable the production of effective corrective actions.

> "…we have to discuss the detail report in order to investigate the causes of the low KPIs…"
>
> Participant 6
>
> "…After a graphical view of our sales performance we must see for example which models have low performance…"
>
> Participant 6

Empirical evidences, as presented above, showed that the management team of the Mercedes-Benz Cyprus had accepted with extremely positive responds the framework as part of their tools for understanding business and taking valuable action plans. It was highlighted with important recommendations for improvement of the S.B.I. framework by the management team for improving sales performance for the organisation.

6.8 Validity of the proposed framework

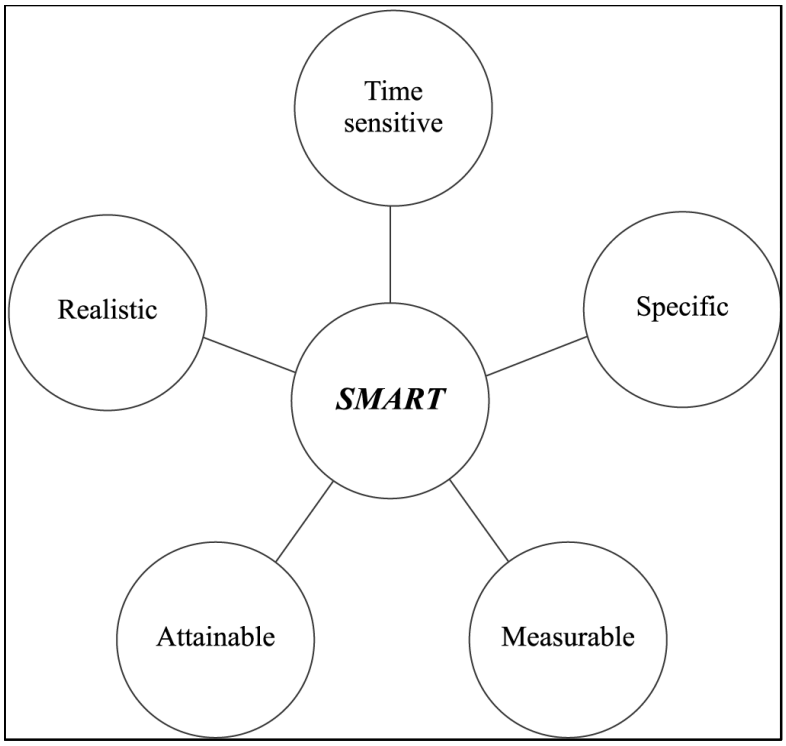
In order to empirically test the validity of the proposed framework, it was decided to test the S.B.I. framework in the Mercedes-Benz Cyprus and in another company of the organisation. The main aim was to provide evidences to support the validity of the S.B.I. and provide information concerning the nature of the relationship between different categories of products in the automotive sales business. Validity is a theoretical concept that refers to the true ability of a measure to illustrate the phenomenon or concept that it is being used to represent (Carmines & Woods, 2005). In this context, validity refers to

the fact that the measures include all relevant crucial performance measurements with accurate results.

The empirical framework validation methodology included testing at the relationship between objectives and indicators, for the purpose of providing valid information for the tactical managerial decisions. In order to validate the framework KPIs results were selected for three different months. For each of the KPIs, hypotheses were formulated regarding their reliability towards the company official financial and other reports which are sent to the principal. The data have been processed, interpreted in order to prove if the KPIs can be the basis of certain analyses and decisions action plans.

Shahin & Mahbod (2007) state that "the criteria for effective KPIs are that of S.M.A.R.T (Specific, Measurable, Attainable, Realistic and Time-sensitive)" as shown in figure 6:16.

Figure 6:16. Smart Criteria (from Shahin & Mahbod, 2007)



Data were tested that reflect stable and consistent data collection processes and analytical methods over time which they were clearly, directly and adequately represent the result that was intended to be measured.

Addressing data source validation criteria for every different key performance indicator as present in Table 6:19 allows organisations to validate their performance results. This table was formulated in order to provide validity, regarding the data sources of the KPIs. Additionally, every KPI was validated and approved by the responsible stakeholders, which performed the original review, authorisation and issue.

Table 6:19. KPIs data source validation for Mercedes –Benz Cyprus

Key Performance Indicator	Description	Validated Data Source	Validated Performance Target Source	Approved
Order indicate	Number of orders per month	Monthly Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Number of Retails	Number of invoiced vehicles per month	Monthly Report for Daimler A.G, Local Financial Reports	Target Agreement with the Daimler A.G	Sales & Marketing Director, Financial Director
Gross profit	The difference between the sales price and the purchase price of a vehicle	Profit & Loss Financial Reports, Profit reports for Daimler A.G	Target Agreement with the Daimler A.G, Target Agreement report of the Board of Directors	General Manager, Sales & Marketing Director, Financial Director
Stock level per model in %	The stock level per model must be no more of 1.5 times the average retails per month	Monthly Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Stock age per model	Number of stock vehicles more than 90 days in Cyprus per model	Monthly Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Customer Satisfaction Index	General Satisfaction with the sales process.	Customer Satisfaction Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Order % of offers	Conversation rate of the number of orders to number of offers	Sales Funnel Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Test drive % of live contacts	Conversation rate of the number of test drives to live contacts	Sales Funnel Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Test drive % of offers	Conversation rate of the number of test drives to live contacts	Sales Funnel Report for Daimler A.G	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Market Share rate per month	Market Share rate comparison with main competitors	Market Analysis Report	Target Agreement with the Daimler A.G	Sales & Marketing Director, Management Team
Marketing Effectiveness comparing with the marketing activities	The rate of the marketing activity from QSM with the Marketing Effectiveness of the Sales Funnel	Sales Funnel Report for Daimler A.G	Target Agreement report of the Board of Director	General Manager, Sales & Marketing Director, Financial Director
Training Effectiveness rate	Number of Trainings tests completed successfully to total number of the participants per module	Training Planning Report	Target Agreement with the Daimler A.G, Target Agreement report of the Board of Director	General Manager, Sales & Marketing Director

The other target company of the validation process was Automasters, that is, the general distributor for the Fiat, Alfa Romeo, Jeep and Lancia vehicles in Cyprus. Automasters was a recently new established company under the group of Cyprus Import Corporation which also owned the Mercedes-Benz Cyprus. The researcher as the quality and business analyst manager for the overall organisation undertook the responsibility to investigate and implement the S.B.I. framework after the final approval from the general manager of the specific company.

The Fiat brand had a different approach compared to the Mercedes-Benz focuses on small car's segments with lower budget customers and modern style. It established branches in the main cities of the island with headquarters in Nicosia and showrooms in Nicosia, Limassol, Larnaca and Paphos. The General Manager of this company had extensive experience in this business sector.

The first step in the validation process was a meeting with the general manager of the company. The purpose of this interview was to understand through his perspective the company's culture and possible changes that may be necessary in the S.B.I. framework. The S.B.I. framework was presented and its results through the development phase in the Mercedes –Benz. Additionally, the necessary data sources for each of the KPI's were analysed and investigated. It was indicated that a similar implementation, with a different perceptive weight for each KPI, could be possible as the culture of the customers and product are diversified from those of Mercedes-Benz. There were several strong competitors with equal products and aggressive marketing culture in the market which made the importance of measuring sales performance a necessity.

> "…All these KPIs can be used in our company but it is important to analyse and take a different and more aggressive action plan. Customers of Mercedes – Benz are coming in the showrooms but for the Fiat group we must go out and find our potential customer…"
>
> "…We are not alone in the market…our competitor's everyday have a different marketing activity…"
>
> Participant 1

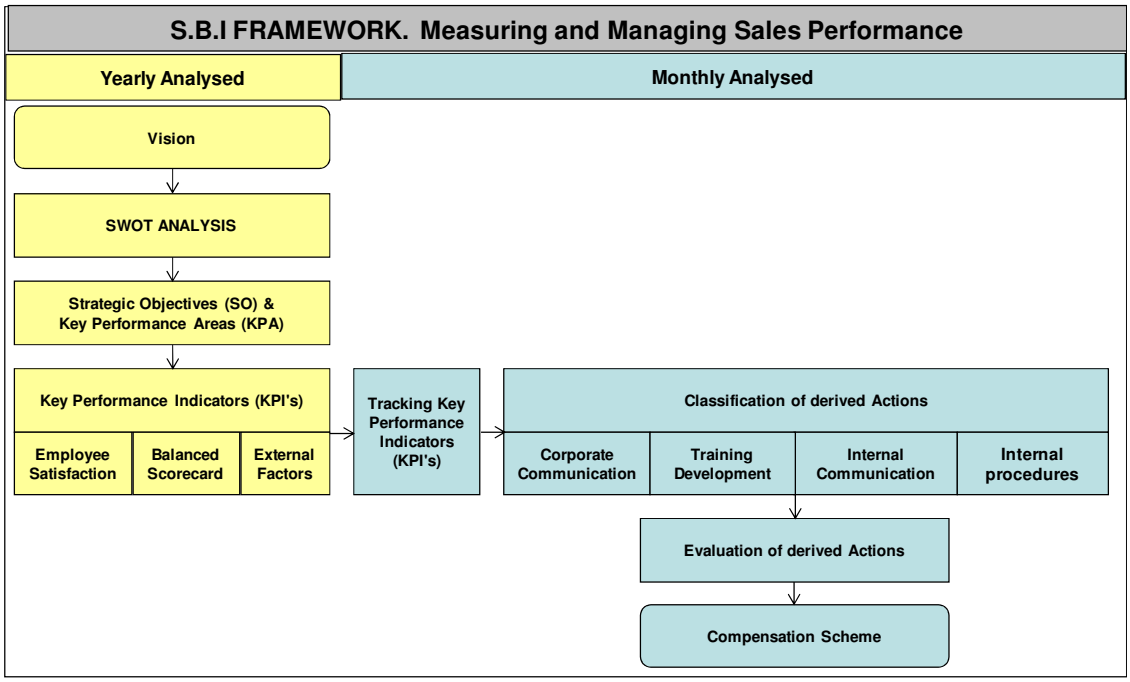
A view that was expressed by the general manager was that the connection of the S.B.I. results with the sales performance of the sales team in a way which would be affected on their compensation scheme. It was not only required to measure the sales team performance not only was required to be measured but that the sales team needs to be aware of the significant changing of their income, based on their sales performance results though the S.B.I. framework. It was decided to establish a new compensation system based on the performance results from the S.B.I. framework.

> "…We do not have time to wait…we have to change our salesmen thinking…now days…needs a 'win win' philosophy between the company and the salesman… "
>
> Participant 1

Linked to this, there was a need to upgrade the S.B.I. framework with a new dimension, a relationship between sales performance and salaries, commissions of the sales team. Churchill et al. (1994) state that "one of the main aims of any sales compensation system is to motivate and manipulate the sales team to follow management directivities".

A further step was included for defining the appropriate levels of staff management and reward based on performance measurement results after the evaluation face of the derived actions of the S.B.I. framework as shown in figure 6:18.

Figure 6:18. S.B.I. framework including the Compensation Scheme



The Compensation Scheme aimed to reinforce the employee's contribution for improving sales performance under a team-based approach. The scheme might be included financial, non-financial rewards or penalties according to the policy of the company. Financial rewards might be payments adjustments based on performance achievement results and non-financial could be tours, recognised awards, celebrate events. A team pays compensation system should be focused to improve employee satisfaction with respect to the pay programme itself align with organisation sales performance (Bartol & Hagmann, 1992; Lawler,1990).

It was agreed that the monthly results had to be discussed and to use the propose action plans at a meeting with the salesmen in order to activate all the sales team. Because of the size of the company it was allowed to include all salesmen in the decision-making monthly meetings. These aspects of decisions emerged as the process of the culture of the staff with reflection of increasing the sales performance will change.

> " …I would have the monthly meeting with all our salesmen, give them the opportunity to express their opinion in our action plans…"
>
> "…this is the only way (salesmen) to feel part of this company…"
>
> "…and to understand that their income depends from their performance…"
>
> Participant 1

Addressing data source validation criteria for every different key performance indicator for the S.B.I framework for the Automaster as present in Table 6:20 allowed organisations to validate their performance results.

Table 6:20. KPIs data source validation for Automaster

Key Performance Indicator	Description	Validated Data Source	Validated Performance Target Source	Approved
Order indicate	Number of orders per month	Monthly Financial reports	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Manager
Number of Retails	Number of invoiced vehicles per month	Monthly Financial reports	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Manager,, Financial Director
Gross profit	The difference between the sales price and the purchase price of a vehicle	Profit & Loss Financial Reports,	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director, Financial Director
Stock level per model in %	The stock level per model must be no more of 1.5 times the average retails per month	Monthly Sales & Stock Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director
Stock age per model	Number of stock vehicles more than 90 days in Cyprus per model	Monthly Sales & Stock Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director
Customer Satisfaction Index	General Satisfaction with the sales process.	Customer Satisfaction Report	Target Agreement with the Board of Directors	Sales & Marketing Director, Management Team
Order % of offers	Conversation rate of the number of orders to number of offers	Sales Funnel Report	Target Agreement with the Board of Directors	Sales & Marketing Director, Management Team
Test drive % of live contacts	Conversation rate of the number of test drives to live contacts	Sales Funnel Report	Target Agreement with the Board of Directors	Sales & Marketing Director, Management Team
Test drive % of offers	Conversation rate of the number of test drives to live contacts	Sales Funnel Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director
Market Share rate per month	Market Share rate comparison with main competitors	Market Analysis Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director
Marketing Effectiveness comparing with the marketing activities	The rate of the marketing activity from QSM with the Marketing Effectiveness of the Sales Funnel	Sales Funnel Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director
Training Effectiveness rate	Number of Trainings tests completed successfully to total number of the participants per module	Training Planning Report	Target Agreement with the Board of Directors	General Manager for Automaster, Sales & Marketing Director

In conclusion, the S.B.I. framework ran in the company with positive results. The KPI used in the Mercedes-Benz Cyprus could also be applied to Automasters but with different weight. Employing the S.B.I. framework seemed an important development tool for controlling and improving sales performance at Automasters. This framework had emerged important decisions which were ignored with the prior concept of

managing the company. For example, it was decided to develop a training project to improve soft sales skills as a result of the customer satisfaction were under of the performance level targets. Furthermore, based on stock age performance, an indicator emerged to redesign the order process of vehicles.

6.9 Findings of focus group with the management of other similar organisations

Participants were asked whether their organisations or their dealers had in place a framework for measuring sales performance. In the interviews with the district managers, the S.B.I. framework appeared to be a possible framework for measuring sales performance in their organisation.

All Participants were asked whether they had already developed any tool, framework or model for measuring sales performance in their organisations as wholesale business or any of their retailers. Their responds were recorded and later transcripts were produced. Based on their responds, the following table was developed mirroring a data structure presented in Table 6:21. For a positive answer for each of the categories a "Yes" was allocated and for a negative response a "No". The first category dealt with whether there was a model or framework in place for measuring sales performance. The second category focussed on the existence of tools or models for measuring sales performance. Third and fourth categories focussed on the level of the implementations wholesale or retail.

Table 6:21. Sample of data records

Participant	Level	Model or framework	Value1	Any Tool	Value2
Participant1	Wholesale	Yes	1	Yes	1
Participant1	Retail	Yes	1	Yes	1
Participant2	Wholesale	No	2	No	2
Participant2	Retail	No	2	No	2
Participant3	Wholesale	No	2	Yes	1
Participant3	Retail	No	2	No	2
Participant4	Wholesale	No	2	Yes	1
Participant4	Retail	No	2	No	2
Participant5	Wholesale	No	2	Yes	1
Participant5	Retail	No	2	No	2
Participant6	Wholesale	No	2	No	2
Participant6	Retail	No	2	No	2

Answer	Value
Yes	1
No	2

Microsoft Excel© was used to analyse the above data with the pivot table's statistical analysis. Their feedback was taken in writing notes; a positive answer was given a dummy variable of 1 and a negative answer was given a dummy variable of 2. According to Table 6:22, only 16,67% of the markets were using similar frameworks or

models for measuring sales performance at wholesale and retailer lever accordingly. Only one of the markets had developed a performance management system for evaluating the overall performance of its network. Most of the markets 66,67% were using some tools for measuring sales performance at the wholesale level. The results found that for using any tool for measuring sales performance in retailer level was significantly lower with 16.67%. The reasons given were numerous; for example dealers are independent companies which have their ownership with different management approaches. Further to this, another reason was the lack of any information system for collecting and analysing the necessary data. A lack of connection of the performance results and the action plans was also identified. The majority of participants used process tools, without any structure. Several reports lacked strategic insights.

Table 6:22 Using a model or framework for measuring and managing sales performance

% Value	Level	
Model or framework	**Retail**	**Wholesale**
No	83,33%	83,33%
Yes	16,67%	16,67%
% Value	**Level**	
Any Tool	**Retail**	**Wholesale**
No	83,33%	33,33%
Yes	16,67%	66,67%

> "…In Romania we do not have a conceptual framework but we are using a similar balanced scorecard approach. We have about 10 KPIs which are measuring the sales performance for every dealer in Romania. These KPIs belong in the four different categories of the Balanced Score Card. This balanced score card is analysed every month. This framework would be useful as we are using a very similar one tool…"
>
> Participant 1
>
> "…We do not follow up the actions of a dealer with the same performance tool. We have other reports for this…"
>
> Participant 4

The second research question examined issues related to a potential implementation of the S.B.I. framework in their organisation. It was acknowledged that some representatives were concerned that they may not have enough available time to produce the monthly results keeping in mind the pressure for preparing several reports for the Daimler A.G. Due to the financial crisis, the volume of the performance and financial reports significantly increased. Some of the participants stated that they had

been asked to produce several reports in the past with failing results regarding the sales performance. It was suggested that the reports, which were reported to Daimler A.G could be reused.

> "…We have not implemented something like this in our organisation. It is important first to implement an accurate information system which can support the necessary data sources…"
>
> Participant 2
>
> "…It is not an additional report but it will help to have an overall understanding of the sales performance of the organisation. It can offer a 'common language' of different departments of the organisation for example sales department and marketing department aligned with the strategic of the organisation…"
>
> Participant 3

The third research question examined who might be responsible for implementing and running this framework. It was relatively clear from the response that district managers could have the main responsibility of this framework. However, difficulties were identified due to the fact that many dealers were independent from Daimler A.G. These dealerships followed their management approach but always aligned with Daimler A.G. In order to achieve, this district managers needed to engage fully with these dealers to ensure a commitment to develop this framework.

> "…Most of my dealers in the network are owners….they have their way to manage their business…we have to find ways to give them to understand how they can support this framework…."
>
> Participant 3
>
> "…I believe that our job is to support our dealers to improve their organisations. In this difficult time, a performance management system can help them to take better decisions…"
>
> Participant 4

In conclusion, participants sought a solution for measuring and managing sales performance for their sales network. The explanation for this view would be the fact that interviewees had the responsibility of network development in their organisations. It was relatively clear from their response that district managers were concerned with difficulties deriving from the implementation process of this framework as there were dealers who did not belong to Daimler A.G in their markets. Those dealers had their own managing procedures, making it difficult to undergo the change process of the S.B.I. framework. Based on the above issues, it was highlighted that district managers had to develop a structured process including training and clear implementation steps for developing this framework in their network.

6.10 The innovative contribution of the S.B.I. Framework

The literature review and the research findings provided evidence that the development of the S.B.I. framework had a positive effect on sales performance of the organisation. In the past several single reports were developed, most of them according to the directives of the Daimler A.G. However there was a lack of a systematic process of continuous improvement aligned with the strategic approach of the company. Using the S.B.I. framework offered a new process of measuring and managing sales performance.

It is an intelligent and self-evolving system that can give management staff very good insights into the aspects of sales performance. It could be applied in the sales department of any organisation with a specific implementation in the automotive business. Neely et al. (1997) state that "a well-designed performance measurement system provides a good framework which can be used to design and audit performance measures".

During the development of the S.B.I framework was evaluated by the management staff the current status of the organisation. It was efficiently analysed the key drivers for success or failure of the Strategic Objectives and the Key Performance Areas related to the sales performance of the organisation. The outcome of this strategic analysis was assisted in establishing the following crucial KPIs.

The first KPI is the retail volume per month. It is a direct sales figure measuring the invoiced vehicles by model in a period of a working month. It is analysed by a model with a summary of the total invoiced volume per brand. Retail volume reflects the fulfilment of the sales process. It is a core figure showing the actual sales growth of a dealer in a network. It is not direct connecting the influence of the external environment and the effectiveness of the derived action plans with its results due to variable duration from the customer decision of the purchasing until the final delivery of the car. A customer may order a vehicle without to be manufactured. The time hierarchies for analysing the results are monthly quarterly and yearly. Data source might be the main accounting information system of the organisation with counting subtotals separated by model for examining period. Targets levels can be defined as a percentage of the fulfilment of the target agreement levels with the manufacturer or with the general distributor for the independent dealers.

Another important direct performance indicator is the orders indicate. It counts the orders received by model per month. Orders received reflect the sales performance achievement absolutely related within the current external environment and developed action plans. Almost all orders are converting to retail volume except cancelling orders.

It follows exactly the hierarchy of retail volume monthly, quarterly and yearly. It expresses the final decision of the customer in moving to a purchase within the organisation. The data source of this key performance indicator might be the dealer information management system of the company. Target levels can be set by the retail volume targets, the stock levels, seasonality factors, history of the order received and the production planning. It is recommended that the management team will analyse potential factors which influence the order received before the finalisation of the target orders levels by month, model and by area. The KPI can be as percentage achievement comparing the number of the orders per month to the order target level by model per month. Orders received are analysed also by branch indicates branch share contribution in the total sales growth.

An important traditional financial perspective metrics is the gross profit margin per month. Data source for this KPI may come from the company's income statement. Gross profit is the Net Sales less any returns and discounts after paying off its Cost of Goods sold. Financial measures characterised as lag indicators from Kaplan & Norton (2001) as presented outcomes from the past. Drucker (1993) states that "a traditional measure is not adequate for business evaluation". However profitability is a crucial factor for the driver of the future performance, especially in the current financial crisis period. Shareholders are highly interested in the potential financial success of the organisation connecting their return of investment with this KPI.

Stock level per model is another important factor for the sales performance of the automotive dealership. Optimal stock level per model balances availability on one hand and cost optimisation on the other. Target levels of this KPI are based on stocking the best-selling vehicles in the product portfolio taking under consideration retail history per model.

Stock age per model is an important performance indicator for the inventory control for an automotive dealership. It illustrates the time period during which vehicles have been in stock. One of the most critical factors directly related to the profitability of a dealership is the speed at which inventory is moved on and off the lot (Salinas, 2006). Stock age target levels depend from several empirical factors which must take into consideration every organisation.

Customer Satisfaction is a demanding KPI from most organisations illustrated fulfilment of their customer's expectations. Additionally, it is a basic element in most of the quality management systems as an indication for a continued improvement concept. Consumer experiences satisfaction with a retailer the greater the probability the

consumer will revisit the retailer (Wong & Sohal, 2003). The validity of the results also varies as Ingrid (2004) highlighted the following problems.

"How to ensure the competence of the customer to fill a questionnaire for customer satisfaction spending his time?

How to ensure the validity of customer responds?

How to ensure that the questions are giving indications in the critical areas for improvement?"

The first step for an organisation wishing to establish a method for measuring customer satisfaction is to conduct a research survey and identify customers' expectations. These expectations are elicitated from the customer satisfaction questionnaires. An established and empirical validated process must be developed for producing this KPI measurement result.

Orders achievement is defined by the conversation rate of the number of orders to number of offers for a retail automotive dealership. Data sources for this KPI can be retrieved from the point of sales information system of the company. It provides information about the effectiveness of the sales process to convert a potential customer offer to others. There are many different factors that influence the performance level of this KPI from the presentation of the product until price negotiating phase.

Test drive achievement is defined to be the conversation rate of the number of test drives to live contacts for a retail automotive dealership. Data sources for this KPI can be analysed with tracking sheets from the sales funnel tool. The demonstration drive is the time that the customer feels the experience for his potential vehicles. It is a pivotal step in the sales process of a vehicle. The performance levels of this KPI are depended by the availability of demonstration vehicles and the ability of the salesman to offer a test drive to the customer.

Market share volume comparing with main competitors is a critical performance indicator. In the automotive competitive environment market share indicates strengths of the organisation in comparison to other companies in the same sector. Automotive manufacturer's strategies are given an extensive emphasis on market share performance take into account the existing market conditions. Narver & Slater (1990) have considered market share as a measure of firms' performance.

Marketing Effectiveness is a fundamental performance indicator for any company. It has been defined by Kerin & Peterson (1998) as "the marketing organisation's capability to achieve its planned strategic goals, given organisational capabilities, competition, consumer preferences, and other environmental conditions". In the

automotive business marketing budget is becoming one of the highest expenses taking an important rule for the total performance of the sales department. Measuring marketing effectiveness can be made through the sales funnel tool with the support of the sales team.

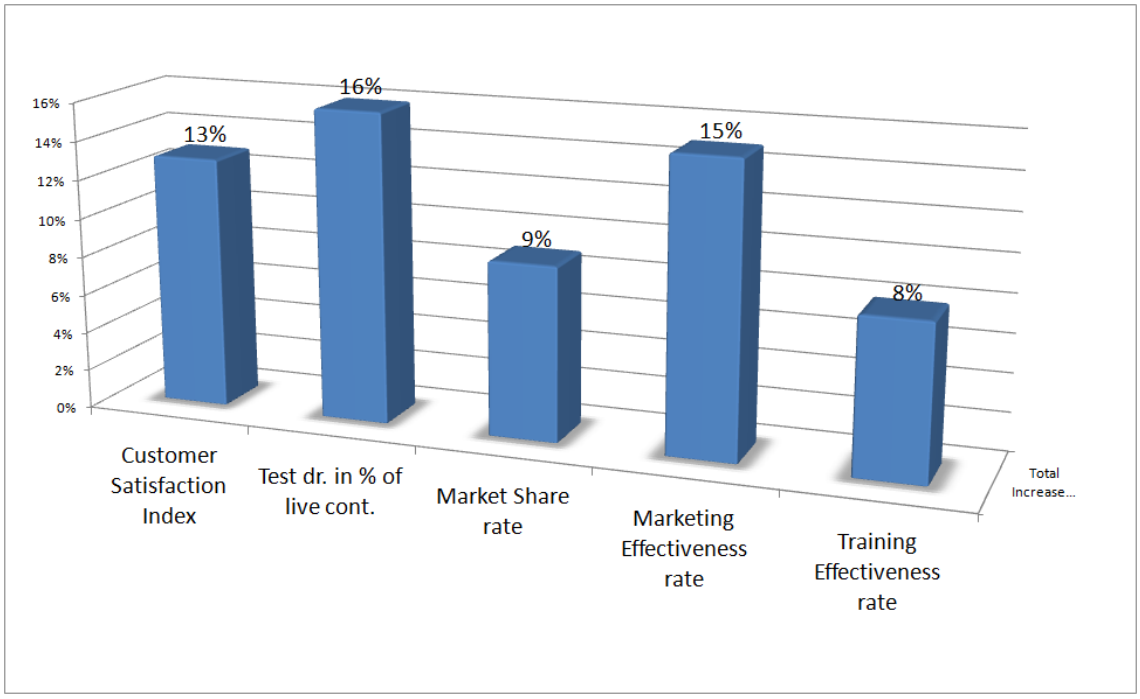
Training Effectiveness KPI evaluates performance of necessary trainings which sales organisation has been developed through its training plan. It shows training achievement for all staff, future trainings according to the training plan. Performance might the percentage of training achievement comparing with the total number of all sales staff.

The results that emerged after fourteen months of the implementation of the S.B.I. framework in the Mercedes-Benz Cyprus indicate that it has a positive influence on performance. The KPIs related to qualitative targets have shown an increase trend as shown in table 6.23 and figure 6.19.

Table 6:23 Performance Achievement for Qualitative KPIs in Mercedes - Benz Cyprus from 11/2011 - 1/2013

KPIs	11/2011 vs 12/2012	12/2011 vs 01/2012	01/2012 vs 02/2012	02/2012 vs 03/2012	03/2012 vs 04/2012	04/2012 vs 05/2012	05/2012 vs 06/2012	06/2012 vs 07/2012	08/2012 vs 09/2012	10/2012 vs 11/2012	12/2012 vs 01/2013	Averaging Increase 11/2011 vs 01/2013
Customer Satisfaction Index	+0%	+4%	+0%	+0%	+6%	+0%	+2%	-2%	+1%	+1%	+1%	+13%
Test dr. in % of live cont.	+1%	+1%	+3%	+3%	+3%	+1%	+2%	+1%	-2%	+1%	+2%	+16%
Market Share rate	+1%	+2%	+1%	+3%	+1%	+1%	+1%	+1%	+0%	-3%	+1%	+9%
Marketing Effectiveness rate	+0%	+3%	+3%	+3%	+1%	+1%	+1%	+1%	+0%	+1%	+1%	+15%
Training Effectiveness rate	+0%	+3%	+3%	+1%	+0%	+0%	+0%	-2%	+1%	+1%	+1%	+8%

Figure 6:19. Performance Achievement for Qualitative KPIs in Mercedes - Benz Cyprus from 11/2011 - 1/2013



However, in terms of quantitative performance targets has not shown a rapid change due the financial crisis in influencing the performance achievement.

Furthermore, the management team had been asked to give written comments with their opinions regarding the effectiveness of the S.B.I. framework. More specifically, branch managers felt their upgrade role as management decision makers with clearly defined responsibilities. Concerning the reporting analysis tool, the management team of the Mercedes-Benz Cyprus was required to have the monthly results earlier as it was noticed delays of updating the performance results. Due to that some of the KPIs used external data sources, for example the vehicle registration data from the government, affected the time of finalising the monthly results of the KPIs. It was decided to investigate any potential improvement for the necessary time for updating the KPIs results. The management team improved their understanding for the crucial performance indicators using the S.B.I. the framework supports a strong focus for improvement and development. Furthermore, the management team pointed out that the S.B.I. framework also acts as a communication tool with their salesmen and supports a common way to understand sales team performance. Furthermore, the management team feedback underlined the crucial role of training for the development and effectiveness of the framework. Despite the fact that the management team had already completed a face to face training session for understanding the framework and the derived performance results, they expressed a need for additional training regarding the

framework and the reporting analysis tool. It was decided to include two training modules regarding the S.B.I. framework and the reporting analysis tool in the yearly training planning program. These training modules would cover the areas of the S.B.I. framework and the reporting analysis tool separated in the management staff and the sales staff. The main aims of these training sessions were to outline to the trainees the various aspects for every step of the S.B.I. Framework with an emphasis on practical examples on how to complete their responsibilities and communicate effectively with their sales team

> "…I believe that we are more active in the decisions of our department for improvement…"
>
> Participant 1
>
> "…We need the reports earlier…to study before the management meeting…"
>
> Participant 2
>
> "…We never before have seen all these figures for our sales performance…"
>
> Participant 3
>
> "…Now I can communicate with my sales team effectively….we are discussing with my sales team the performance results …and our derived action plans after the management meeting…"
>
> Participant 3
>
> "…we need the performance results also in branch level…it can help us to understand potential areas for improvement especially for our branch…"
>
> Participant 4
>
> "…we need more training for understanding in depth all KPIs…."
>
> Participant 5

Salesmen of the Mercedes Benz were asked to evaluate the S.B.I. framework from the view of supporting their sales force activities. The sales staff believed that S.B.I. framework supports their communication with their managers and expressed willingness to accept responsibilities from their managers based on the different action plans. It was mentioned by some that they were following only directivities without knowledge of the strategic aims of the organisation. As highlighted by some of the salesmen, it is crucial for the survival of the organisation to have in place a sales performance management system focus on any potential action for improvement.

> "…After many years I feel that I understand what our company tries to achieve with specific targets…"
>
> Salesmen Evaluation, Participant 1

> "…S.B.I. framework can support our monthly meetings with our branch managers…"
>
> Salesmen Evaluation, Participant 2
>
> "…With this financial crisis is crucial to measure or performance…"
>
> Salesmen Evaluation, Participant 3

It should also be mentioned that there was significant evidence that S.B.I. The framework has a positive impact on the Daimler A.G's information sharing regarding the local market and sales performance of the organisation. The monthly performance results of the S.B.I. framework has been established as standard reports for discussion between the Daimler A.G. and the management team of the Mercedes-Benz Cyprus. Furthermore, it was suggested by Daimler A.G that it would investigate potential implementations of the framework in other markets as Mercedes Benz Serbia, Mercedes – Benz Romania and Mercedes-Benz Bulgaria. It was decided to present the final version of the S.B.I. framework to the next Sales Management meeting in the Daimler A.G. as good practice example of measuring sales performance.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1 Chapter Summary

This chapter aims to provide conclusions and recommendations for future research for measuring and managing sales performance in an organisation. More specifically, the remaining of this chapter is structured as follows section 7.2 presents the factors which affected the development of the S.B.I. framework during the global economic crisis, section 7.3 focuses on two crucial issues, the effective leadership and organisational culture, section 7.4 presents the conclusions in related to the research questions, section 7.5 investigates areas for future research.

7.2 Developing the framework during the global economic crisis

This project was initiated in the dawn of the global economic crisis in 2008. Stiglitz (2009) identified the following main characteristics of the current economic and financial crisis:

> "Reduction in credit availability, reduction and price conscious consumer spending, increase in unemployment, significant move towards establishing cost efficiencies within the corporations, reduction in shareholder value and lower return on investments"

The recession of the automotive retail sector resulted in a reassessment of the priorities and placed new demands on management knowledge. During economic and financial crisis, organisations' sales performance is extremely unpredictable so they perceive such environment threatening (Wan & Yiu, 2009). In this business environment makes it essential to establish an effective framework for measuring and managing sales performance thus supporting the management team to respond to this external threat.

In such situations, the management focuses on relatively on reducing costs key performance indicators. Most of the organisations change their strategic objective direction focusing on factors which are related to financial risks. However, Avery & Bergsteiner (2011) analysed that BMW "despite the global financial crisis and the subsequent recession, when other leaders chose to go into survival mode and abandon strategies to achieve long-term goals, BMW stuck closely to its strategy to build communities, fosters collaboration among stakeholders and promoted the long-term value". This approach has shown that the management, while analysing the performance results of the framework, should always take into consideration the long term perspectives goals for the derived action plans. Perhaps, the most appropriate approach to keep management engaged with the long term strategic goals might be the vision of the organisation, not only to keep it on a piece of paper but to have it as an integral part

of the performance framework. It is recommended by the author that the vision of the organisation should be written in every report which is produced by the S.B.I. framework.

7.3 Effective leadership and organisational culture affective sales performance framework

The effective leadership and the organisational culture are seen as fundamental aspects in developing any performance management framework. From the outcomes of this research, it is evident that it is a crucial factor as the management team is involved in any of the main steps in the process of the S.B.I. framework. The management team must be committed to the S.B.I. Framework initially in the identification of the key performance indicators of the SWOT analysis process until the development of derived action plans. Holloway et al. (1995) argued that "the successful implementation of a performance management system depends on understanding and accommodating the human element in management control".

Braam & Nijssen (2004) supported that "the impact of performance measurement is contingent upon the way it is used". S.B.I. framework is used as a decision management tool by the leadership team as Bititci et al. (2006) suggested, "there is indeed interplay between performance measurement, organisational culture and management styles in order to successfully implement a performance management system". Claver et al. (2001) claimed that "organisational culture should be modified to meet the needs of the performance management system". The management team after four months of running the S.B.I. framework in the host organisation recognised the potential benefits providing a systematic foundation for factual decision making.

Furthermore, the research has shown that an organisational member for supervising the process of running the framework must be appointed and dedicated. The facilitator makes sure the system is regularly updated and organises the necessary meetings with the management team.

7.4 Conclusions related to the research questions

Based on the outcomes of this research, the following conclusions as related to the main research questions might be drawn.

The first research question was related to the analysis of the theories, models, frameworks, and approaches of measuring and managing business performance. Findings from this research indicated that there are several approaches of measuring and managing business performance with variety in their design. In today's complex

business environment, the PMS have been changing their approach, from a financial to a more multi-dimensional view taking under consideration other factors related to the quality of the products and services. However, from the literature analysis there is evidence of lack of a detailed implementation process. In order to support the implementation phase, the S.B.I. framework suggests a detailed, step-by-step approach, supporting the development and running of the system appropriately. The second research question examined which of these models, frameworks and approaches could be used to manage and measure business performance in Mercedes Benz –Cyprus. The characteristics of several emerging performance measurement systems were compared to investigate what was more suitable for the host organisation. The review verified that no single framework or model could ensure a sustainable competitive performance. The research results suggested that the Balanced Scorecard approach with the combination of the SWOT analysis tool might be used for the derived blended framework in the host organisation. Both approaches are widely used with positive results in several organisations.

The third research question investigated which factors were taken into consideration for the development and effectiveness of the performance system. The literature research findings showed that organisational culture is a crucial factor for acquiring and developing an effective development of the performance management system. The empirical evidence through the feedback of the management team showed that although there was an existing culture, the implementation of the S.B.I. framework had positively affected the culture of the organisation. It was clear from the response that the management team had seen the value of using the system and actively participated in the decision making of the derived action plans. There was also evidence that the timing of collecting, analysing and developing the KPIs results depended on several factors, like the size of the organisation, the effectiveness of the information systems and the kind of the selling products or services.

The fourth research question had to do with who was involved in the procedure of measuring and managing the business performance in Mercedes – Benz Cyprus. The overall responsibility for an effective development of the business performance management system was weighted by the business user with a combination of tasks in the areas of the information management, strategy management, human resources and the information technology. Empirical data suggests that the management team of the organisation with a facilitator could effectively develop the S.B.I. framework. In the reporting analysis tool of the S.B.I. framework, every action plan was concatenated with

the allocation of who was responsible for executing these tasks. The facilitaror was crucial for increasing the chance of a successful implementation of the S.B.I. framework. Prior to any implementation process a dedicated organisational member had to be found to ensure that the system was regularly updated and can control any data sources or calculation potential problems.

The focus groups of this project were conducted with mature experienced management staff who had biased their selection for standardising the latest generation models or frameworks of measuring business performance. Due to the recent global financial crisis, the management staff had to come up with solutions which they were contributed to the sustainability of the company. As mentioned by the management staff "there is no time for experiments, we need a tool which is flexible, accurate, understandable to support our future actions not only to improve our performance but, as the current situations show, to survive".

The fifth research question examined the scope and format of the outcome of this research. The results of the study provided a conceptual integrated framework with a combination of well known and effective performance tools. Additionally, it aimed to bridge the three main steps of the continuous improvement approach, the measurement analysis, the derived action plans and finally the evaluation of these actions.

The sixth research question analysed how the process of deriving the proposed performance monitoring and management system might be used by other organisations apart from Mercedes Benz Cyprus. The implementation of the S.B.I. framework in Automasters had provided empirical evidence that it could be effectively implemented in any similar organisation taking into consideration different weights for the proposed KPIs. These weights depended on the kind of the product and the strategic policy of the company. A focus group consisting of similar organisations in other countries has indicated that similar approaches had already been developed. However, a lack of connecting the KPIs results with the derived action plans was identified in the other cases. It was mentioned by some of the district managers that development of the S.B.I. framework in their organisations could prove beneficial. Mercedes – Benz Romania had already been in contact with the researcher in order to improve their performance management system based on the S.B.I. framework. Mercedes-Benz Bulgaria presented the S.B.I. framework to their general manager in order to examine potential development of the framework in their organisation. Mercedes – Benz Serbia expressed their interest in the development of this project as they were facing main problems with their information systems at that time.

7.5 Suggestions for future research

This research examined issues related to the development and implementation of a performance management system for measuring sales performance in an automotive organisation. Based on the effective implementation in the sales department, it was decided by the Board of Directors, to also investigate a potential implementation in the Aftersales division of the organisation. The conceptual S.B.I. framework was presented to the management team of the Aftersales department with the main aim to analyse which of the adaptations are necessary in order to be able to be used in the service and parts departments. The feedback from this meeting was positive with a final decision to prepare a project plan of the implementation process. The assistant after-sales director with the support of the researcher was allocated as responsible for this implementation.

In order to adapt the S.B.I. framework for measuring the sales performance of the after sales department, it was crucial to develop a SWOT analysis for identifying potential areas for measuring. Following the same developing concept of the sales department, it was decided to be involved in the SWOT analysis the after sales director who was the head of the department, the assistant after sales director, the Aftersales network development manager and the workshop managers who were responsible for the service department for every different branch.

The major challenge would be for the management team of the after sales department to understand that they have the responsibility for the efficient implementation and running of the performance management system. This may be achieved by trainings and during the management meetings. The author suggests that they should treat this as a case study for analysis during this training the implementation process with its results from the sales department.

Another potential research area that can be pursued in the future is the connection and alignment between the departments using the S.B.I. framework in an organisation with an overall strategy of the organisation. This project was concentrated on the sales performance of one of the departments of the organisation. It would be interesting in the future to investigate an integration of an overall performance framework based on the S.B.I. frameworks for each department of the organisation.

This research project was developed in the host organisation in the area of the automotive retail sector. A potential area of research could be an investigation of the implementation of the S.B.I. framework in other areas of industry. Based on the cooperation of the researcher, as a partner with the Thomas Poutas Consultant, an international business consultancy organisation which specializes in change and

performance management, personnel trainings and assessments, the prospects for future implementations of the S.B.I. framework in other industry sectors are promising.

Additionally this research project was developed into an SME organisation with an existing running quality management system, which has contributed in a continuous improvement culture. The managing team had already the knowledge and experience for measuring and managing key performance indicators. It would be interesting to investigate, for future research and further development, the proposed framework for a potential implementation in an organisation without any experience in performance management. This requires a structured combination of formal trainings and analysis of developing the necessary skills as part of a new performance-driven management style.

Bourne (2001) emphasises that a performance management system can only be effectively implemented and used when the company perceives the benefits of this system. Lack of the necessary skills and human resources for analysing and understanding the results of any performance management system from the management team will drive to failed action plans.

Another crucial point for investigation is the easy access to resource data for the development of the report analysis tool of the proposed framework. Many IMSs do not have the capability or are complicated to retrieve the necessary data for evaluating the KPIs. Common problems regarding the data collection might be that data are spread throughout the organisation from different data resources without a proper structure format. It is recommended by author to give the responsibility for implementation of the data collection plan to a specialised information technology organisation as the data quality is a crucial factor an effective performance management system. There are many software products for measuring and managing sales performance in the market which are insufficient limiting the flexibility of further development in the future. For example, Mercedes-Benz Serbia expressed their concerns about a plan for a development of the S.B.I. framework in their organisation due to the limits of their IMS.

CHAPTER 8: REFLECTIVE REPORT OF RESEARCHER'S PERSONAL LEARNING AND PROFESSIONAL JOURNEY

8.1 Chapter Summary

This chapter provides a reflective analysis of the researcher's personal and professional learning. Additionally, it describes the impact the project had on the various stakeholders of the project. More specifically, the remaining of this chapter is structured as follows. Section 8.2 focuses on the reflections on research methodology of this research project, Section 8.3 describes the reflections on professional knowledge and practice, Section 8.4 presents the impact of a research project on the various stakeholders.

This overall reflection provides a summary and evaluation of the researcher's experiences and thoughts of learning and development, in the context of the research project. It is a dynamic process, a mirror which reflects feelings and experiences in relation to the theoretical knowledge. This doctoral study has given the researcher a chance to advance knowledge, so that he can develop understandings and make an impact in several areas of the host organisation. As Feest & Iwugo (2006) state, "reflection is being seen as a skill that is of benefit to both learners and professionals since it usually results in efficient learning, changed the thinking and revision of practice". Cox (2005) developed a model of structured reflection, which helps to discover the different styles of learning. This model has four stages. "The first stage is the description of experience. The experience reflects the different processes of learning. Work based learning is a type of experiential learning. The second stage is the reflection in action. The third stage is the influence factors, which are revealed in the incident and the legitimacy of the aims and goals of all the participants in the experience. The last stage is after the reflection of learning. Probably the most significant part of this sequence is to evaluate learning". The evaluation allows the critical question to be asked and answered. It also examines whether goals and objectives have been met. Critical thinking involves considering the relationship between events – whether this is caused or whether there is a more general process under way. Following the four previous stages, helps analyse and shape our previous knowledge, skills and capabilities, and contributes to their evolution (Papadima-Sophocleous, 2006).

8.2 Reflections on research methodology from this research project

This research project followed a research methodology based on a rational approach derived from the choice of the specific research questions. The method of Case Study

was chosen for this research project as this dealt with a particular case of a specific host organisation. Reflecting on research methodology might be investigated with potential improvements that could be applied in future research projects. The development of a similar research project in the area of the aftersales in the host organisation has already been planned and later the integration of the S.B.I. framework for the overall business performance of the company will follow. Additionally, as the researcher is a lecturer reflecting on the research methodology, it will be an advance for improvement for potential papers for publication.

Following a step by step research implementation approach as this was described in Figure 2.5 gave a clear overall picture of the research methodology that this research project has followed.

The first step in the research methodology was the investigation of the different models and frameworks that can be found in performance measurement literature which enabled the researcher to take a total holistic view of this research area. A critical review has been developed with the aim to support the decision for the potential method selected, taking into consideration the specific size, kind and culture of the host organisation. This approach provided a focus of understanding, for the researcher and the management team to examine the different approaches that could be used for measuring and managing sales performance. However, this could have been improved with a more detailed analysis of the potential models or frameworks, as the time permit for only a simple and urgent solution due to the financial crisis which biased the management team's selection of a well known method based on their experiences.

The second step in this research methodology was the examination of the existing reports and tools used by the host organisation for measuring and managing sales performance.

The third step in the research methodology was the development of a focus group with management staff with the aim to guide the research and select the possible models and frameworks. A focus group approach was selected, it provided some interesting results by taking opinions from people who were actively involved and had the main responsibility for the successful development and implementation of this project. It gave the opportunity to the management team to feel part of the project by taking the main active role in the selection of the proposed framework. It could be suggested that for the future research external consultants specialised in the area of business performance could also be used.

The focus group approach offered to the researcher the chance to learn the Nvivo software. It has given the capability to analyse answers and the content thus enabling the researcher to draw conclusions from interviews that could be compared to the empirical data. Furthermore knowledge in statistical analysis was developed, something which will be a benefit for future research.

The fourth step in the project was the focus on the development of the proposed model. It was the most crucial step in the research as it was essential to ensure the commitment and full understanding of the stakeholders. It enabled us to determine areas of improvement and validation of the framework. However short time-frame testing, imposed by the financial crisis, kept the planning and implementation phases short, thus not enough for obtaining a better insight into the final implementation of the reporting analysis tool. The flexibility of the reporting tool could be improved, with better views for the performance achievements in the branch level.

The fifth step of the research methodology was the evaluation of the proposed framework. The management team had the responsibility of assessing based on the crucial factors which were found in the literature. It provided a fulfilment of the criteria as shown in the statistical analysis of their responds. It was crucial for the future development of the proposed framework to gain trust by the decision makers as this tool supports their decisions for any improvement actions.

The sixth step focused on validating the S.B.I. framework. It was easy to implement the S.B.I framework to another similar company as Automaster belongs to the group of companies of the organisation and there was already a positive cooperation with the General Manager of the company and the researcher. It offered an additional view and concept of the S.B.I. framework, connecting performance results directly with the compensation scheme of the company. However, the update of the framework was affecting salesmen approaches, who were expressing complaints regarding their income. Finally looking back, this update offered more negative results than positive. It added stress to staff, thus making the framework a control rather than a performance tool. This feedback from the Automaster's sales staff might come because the S.B.I framework connected with the existing compensation system of the company.

The seventh step was the final implementation of the model. Employee satisfaction measurements were missing because the sales & marketing director was absolutely against taking staff opinion on those difficult times. Everybody was feeling as potential candidates for losing their job and this was affecting any method of measuring

employee satisfaction. It must be noted that the final implementation was done without any problem due to the positive approach of the stakeholders for using this framework.

The eighth step investigated whether the framework could be developed in a different culture and market. Taking advantage of the researcher's position and his contacts with Daimler A.G., the model was examined by managers having similar positions in other countries. It was recognised that the reporting approach must be simple as many participants have expressed complaints regarding the effort and time they were spending for preparing several reports.

In conclusion, this research methodology enabled the researcher to fulfil the research questions of the project with useful and acceptable results. The attempt to connect the theoretical perspectives with the implementation results in the business environment was successful.

8.3 Reflections on professional knowledge and practice

This project provided the researcher with knowledge and practice with positive outcomes which offered advance in the crucial area of sales performance for the host organisation.

Based on the learning outcomes, this project has given a solid literature background in the area of sales performance and research methodology, and connected the professional experience with solid academic knowledge and understanding of the current theories and practices.

8.3.1 Demonstrate in-depth knowledge of how to apply and justify project aims and objectives.

Based on the understanding of business experiences and academic studying, this research project has achieved to present a concrete conceptual framework combining primary and secondary research results. Extensive studying and analysis of the academic fields of the different existing approaches of the sales performance were essential for the development of the proposed framework in order to build a broad theoretical understanding of these subject areas.

8.3.2 Research and development capability

It was significant to investigate all the range of research approaches and methodologies relevant to professional practitioner. It used multiple research methodologies and the use of literature was extensive and subject to critical review of its applicability to the type and focus of this project. It developed my understanding for implementing case studies which, for the work-based research, comes from the organisation environment or

other similar environment. Using focus group approaches with the NVivo software was considered more than a tool for the management contents and data. It gave confidence for complicated analysis methods with different ways of thinking about research techniques.

8.3.3 Ethical understanding

In this research project, as part of the Mercedes-Benz Cyprus, it was essential to ensure that all required controls were in place in order to prevent improper dissemination. It was important to investigate what data were exposed, what techniques were employed and identifying the applicable legal obligations. Relevant persons, committees and authorities were guided to take into account the ethical implications involved in the project's development processes. The interviewed participants had filled and signed an Ethics Release Form which ensured that a care of ethics was followed in the project. Access to the report analysis tool was only available for authorised users through having a valid user name and password. It followed all ethical policies and rules that Mercedes-Benz Cyprus follows.

8.3.4 Analysis and synthesis

Evaluating the different model or frameworks for measuring and managing sales performance was a complex process. A combination of documentary and statistical research analysis was used, with the aim to choose the most appropriate method. Working with the management team offered me various views and opinions which helped me to analyse and synthesise information from several issues in order to develop a particular approach for this research project.

8.3.5 Self appraisal/ reflection on practice

Self appraisal was a significant step in the development of this project. It was crucial to evaluate any step in the research process taking into consideration the professional responsibilities with the aim of improving the overall performance of the host organisation.

The researcher's role in the project was critical with a continuous reflecting in every step in the research process. Different factors as the directives from the management of the host organisation, the academic rules of the project, the time frame and the other projects running in the same period were taken into consideration.

8.3.6 Planning/ management of learning

The feasibility of the project was prepared with the support of Mercedes – Benz Cyprus,. A significant amount of time was spent on the design of the research implementation, supporting an easy-to-understand flowchart showing how the steps in the research process fit together (figure 2.5). Another important factor of planning and management of my learning was time management. Setting a time frame with a planning calendar for the research tasks helped me prepare effective action plans.

8.3.7 Evaluation

This research project offered me a mixture of both academic and hands-on business experience reflecting on new ideas, developing critical thinking and evaluating different approaches for sustainable research and business improvements. In the research methodology accurate mechanisms using criteria governed by a set of standards from literature were established, in order to understand research approaches, choosing appropriate methods and deciding how to put them into practice. Management staff of the host organisation and the management of other similar organisations were asked to evaluate the proposed framework giving appropriate justifications supporting the final implementation.

8.3.8 Awareness of operational context and application of learning

This project had a positive impact on the organisational culture, offering an active and very much alive process for monitoring sales performance and supporting the design of effective action plans for improvement. In order to be able to effectively manage the financial crisis within today's business environment, it was essential to establish a mechanism using the S.B.I. framework for analysing the current situation and search for alternative valuable solutions. The management team of the host organisation regurarly use the reporting analysis tool of the S.B.I. framework in their meetings and their communication with their staff.

8.3.9 Use of resources

In this project being part of the main task of the host organisation, it was critical to ensure that the involved people had the required tools, materials, and work space to support their tasks. The reporting analysis tool was evaluated with regards to time, effort and finally with implementation and running costs. Furthermore, all necessary academic resources were used to support the research process on a theoretical base through Middlesex University and through the University of Nicosia and other

academic institutions and libraries. Cooperation with academic colleagues helped me find solutions to complex and serious problems during the research project.

8.3.10 Communication/ presentation skills

For the successful implementation of the project, formal training courses and other more informal means of communication were developed, through feedback and reflecting on recommendations from stakeholders. From the researcher's job position and as an academic lecturer, he had the opportunity to further develop the capability in explaining and presenting his ideas and arguments in clear English and in writing effectively in a range of contexts for a variety of different audiences and purposes. The Harvard Style for any referencing resources was followed.

8.3.11 Responsibility and leadership

Following the directives from the Board of Directors of the host organisation the researcher had the overall responsibility as the project leader ensuring for the necessary project commitments. A crucial factor was the cost and time management of the project. The organisation needed a low cost, urgently effective solution for measuring sales performance as financial crisis raised issues for implementing effective action plans.

8.4 Impact of research project on the various stakeholders

This project had a significant impact on various stakeholders. This could be summarised as follows:

For the candidate supporting the professional and scientific development inside his work environment was a suitable solution. It enabled an updating of his knowledge by changing his approach from a simple decision making to the way of writing an academic paper. Furthermore it created new opportunities in the academic teaching and business consultancy. This research project was the most important factor for my new cooperation with the Cyprus Institute of Marketing as a lecturer for the module "research project". Another new corporation was with the Thomas Poutas Consultants, with prospects for future implementation of the S.B.I. framework in other organisations.

For Middlesex University this DProf programme made a significant contribution to academic knowledge in the area of sales performance. The programme is characterised by specific requirements for the level and credit of the qualification of a doctorate programme.

For Cyprus Import Corporation this project made valuable contributions, offering hands-on professional development to company staff, in the sales performance area based on sound scientific work. This research project evidences that the culture of the

organisation is one of the key factors for the successful development of the sales performance framework. The management team participated actively in the project working in a reflecting relationship between the results from the proposed framework and their decided action plans for improvement. The project was innovative and had not been done before for the organisation. The Board of Directors were very supportive and agreed to develop it as one of the major measures for fighting the impact of the financial crisis on the organisation.

The findings and recommendations represent a significant contribution to the principal organisation Daimler A.G. There is a potential that S.B.I. framework will be used from Mercedes-Benz Serbia and Mercedes-Benz Romania organisations as the method for measuring sales performance for all their dealers. Additionally, it will be discussed with the Global Training Department of Daimler A.G. for possible development of the S.B.I. framework as a module in the management training portfolio of the organisation. The University of Nicosia will have another member of its staff at a doctorate level in the area of sales performance. It will offer opportunities for new research projects in the area of sales performance for the university. There are several potential academic conferences relative to the area of the project which the university will be able to participate. In addition, the research could be used as base for potential course programmes for the Business Department of the university.

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Appendix 1: Population by district in Cyprus

POPULATION BY DISTRICT

CYSTAT

000´s

DISTRICT	Population end of the Year														Census	
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	2001	1992
Total																
Total	**803,2**	**796,9**	**789,3**	**778,7**	**766,4**	**749,2**	**730,4**	**715,1**	**705,5**	**697,6**	**690,5**	**682,9**	**675,2**	**666,3**	**703.529**	**615.013**
Lefkosia	315,4	313,4	310,9	307,1	302,6	296,1	289,1	283,5	280,3	277,9	275,8	273,4	271,0	268,0	279.545	249.601
Ammochostos	44,8	44,3	43,7	43,0	42,2	41,2	40,1	39,1	38,5	37,8	37,1	36,5	35,8	35,1	38.371	31.513
Larnaka	134,4	133,3	131,9	130,1	128,1	125,2	121,9	119,3	117,5	116,2	115,1	113,9	112,6	111,2	117.124	102.794
Lemesos	230,8	228,9	226,7	223,6	219,9	214,8	209,2	204,6	201,6	199,6	197,8	195,8	193,9	191,5	201.057	177.440
Pafos	77,8	77,0	76,1	74,9	73,6	71,9	70,1	68,6	67,6	66,1	64,7	63,3	61,9	60,5	67.432	53.665
Urban Areas																
Total	**563,5**	**557,9**	**551,5**	**542,9**	**533,2**	**520,0**	**505,9**	**494,3**	**486,7**	**480,2**	**474,3**	**468,1**	**461,8**	**454,7**	**485.304**	**416.082**
Lefkosia	236,2	234,2	231,8	228,4	224,5	219,2	213,5	208,9	206,2	204,1	202,3	200,2	198,2	195,7	205.633	181.234
Larnaka	83,5	82,7	81,7	80,4	79,0	77,0	74,9	73,2	72	71,1	70,3	69,5	68,6	67,6	71.740	62.178
Lemesos	187,1	185,1	183,0	180,1	176,9	172,5	167,8	163,9	161,2	159,3	157,5	155,7	153,8	151,7	160.733	139.424
Pafos	56,7	55,9	55,0	54,0	52,8	51,3	49,7	48,3	47,3	45,7	44,2	42,7	41,2	39,7	47.198	33.246
Rural Areas																
Total	**239,7**	**239,0**	**237,8**	**235,8**	**233,2**	**229,2**	**224,5**	**220,8**	**218,8**	**217,4**	**216,2**	**214,8**	**213,4**	**211,6**	**218.225**	**198.931**
Lefkosia	79,2	79,2	79,1	78,7	78,1	76,9	75,6	74,6	74,1	73,8	73,5	73,2	72,8	72,3	73.912	68.367
Ammochostos	44,8	44,3	43,7	43,0	42,2	41,2	40,1	39,1	38,5	37,8	37,1	36,5	35,8	35,1	38.371	31.513
Larnaka	50,9	50,6	50,2	49,7	49,1	48,2	47,0	46,1	45,5	45,1	44,8	44,4	44,0	43,6	45.384	40.616
Lemesos	43,7	43,8	43,7	43,5	43,0	42,3	41,4	40,7	40,4	40,3	40,3	40,1	40,1	39,8	40.324	38.016
Pafos	21,1	21,1	21,1	20,9	20,8	20,6	20,4	20,3	20,3	20,4	20,5	20,6	20,7	20,8	20.234	20.419

Note: Figures for the period 1993-2000 have been revised on the basis of the 2001 Census of Population results.

(Last Updated 04/11/2010)

TRANSPORT SECTOR

		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1990
1. TRANSPORT																	
Number of vehicles (total licensed at the end of year)	No.	651.149	631.824	591.962	550.792	534.966	515.233	484.477	465.367	459.106	444.183	430.974	419.446	402.586	394.667	387.559	316.437
Passengers Cars	No.	460.504	443.517	410.936	372.945	355.134	335.634	302.501	287.622	280.069	267.589	256.989	249.225	234.976	226.832	219.749	178.602
Private saloon cars (incl. learners and invalid)	No.	450.182	432.702	400.432	363.383	344.953	324.212	291.645	277.554	270.348	260.026	249.752	241.800	227.695	219.432	212.152	171.425
Taxis	No.	1.870	1.864	1.856	1.780	1.845	1.770	1.696	1.559	1.641	1.648	1.611	1.607	1.586	1.569	1.589	1.732
For rental (self-drive)	No.	8.452	8.951	8.648	7.782	8.336	9.652	9.160	8.509	8.080	5.915	5.626	5.818	5.695	5.831	6.008	5.445
Buses	No.	3.449	3.402	3.292	3.221	3.217	3.199	3.275	2.997	3.003	2.949	2.835	2.754	2.800	2.801	2.670	2.308
Goods conveyance vehicles	No.	124.097	121.779	117.498	115.723	118.355	117.825	119.646	117.792	117.942	114.666	111.125	109.294	105.652	104.043	101.182	74.325
Mechanised cycles	No.	42.690	43.219	41.211	40.359	40.381	41.396	41.516	40.276	41.985	43.315	44.756	44.337	45.226	46.855	50.393	50.953
Tractors	No.	15.877	15.478	14.956	14.739	14.368	13.941	14.284	13.932	13.594	13.291	13.013	11.733	11.913	11.740	11.244	8.517
Other vehicles, n.e.c.	No.	4.532	4.429	4.069	3.805	3.511	3.238	3.255	2.748	2.513	2.373	2.256	2.103	2.019	2.396	2.321	1.732
Persons per private saloon car	%	1,8	1,8	2,0	2,1	2,2	2,3	2,5	2,6	2,6	2,7	2.7	2,8	2.9	3.0	3,1	3.4
Registration of motor vehicles (new and used)	No.	50.291	67.722	64.405	48.387	48.712	54.037	40.362	40.367	38.075	32.165	33.973	38.798	31.857	34.768	34.475	38.768
Roads infrastructure in Cyprus (total)	Km	12.380	12.321	12.246	12.280	12.146	12.059	11.760	11.593	11.408	11.141	11.009	10.820	10.654	10.415	10.150	9.043
Public Works Department	Km	2.393	2.388	2.388	2.684	2.692	2.648	2.518	2.488	2.435	2.359	2.347	2.307	2.272	2.258	2.218	2.195
(Motorways)	Km	(257)	(257)	(257)	(257)	(276)	(268)	(268)	(268)	(257)	(240)	(216)	(204)	(195)	(173)	(161)	(120)
District Offices	Km	2.744	2.745	2.711	2.702	2.650	2.641	2.571	2.553	2.538	2.532	2.520	2.502	2.493	2.448	2.456	2.430
Municipalities	Km	4.019	3.975	3.946	3.732	3.666	3.577	3.481	3.404	3.352	3.271	3.221	3.155	3.103	3.015	2.839	2.787
Forestry Department	Km	3.224	3.213	3.201	3.162	3.138	3.193	3.190	3.148	3.083	2.979	2.921	2.856	2.784	2.694	2.637	2.631

(Last Updated 13/08/2010)

Appendix 3: Registration of private saloon cars, 2002-2011 in Cyprus

REGISTRATION OF PRIVATE SALOON CARS, 2002-2011

BY MONTH AND REGISTRATION TYPE

(NUMBER)

YEAR	TYPE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2002	TOTAL	2.409	2.245	1.856	1.975	1.845	1.204	3.025	2.074	2.460	2.397	2.438	2.336	26.264
	NEW	770	607	528	518	454	454	879	638	658	726	838	872	7.942
	USED	1.639	1.638	1.328	1.457	1.391	750	2.146	1.436	1.802	1.671	1.600	1.464	18.322
2003	TOTAL	2.607	2.665	2.463	2.371	2.438	2.717	2.891	1.600	2.290	1.965	1.362	2.600	27.969
	NEW	933	829	755	649	604	775	732	333	444	294	252	1.197	7.797
	USED	1.674	1.836	1.708	1.722	1.834	1.942	2.159	1.267	1.846	1.671	1.110	1.403	20.172
2004	TOTAL	3.244	2.739	3.358	3.326	3.224	4.758	4.313	3.250	3.975	3.149	3.557	3.175	42.068
	NEW	1.251	902	1.255	1.564	1.302	2.270	1.900	1.386	1.644	1.451	1.672	1.623	18.220
	USED	1.993	1.837	2.103	1.762	1.922	2.488	2.413	1.864	2.331	1.698	1.885	1.552	23.848
2005	TOTAL	3.710	3.092	3.305	3.152	3.097	2.970	3.192	2.806	3.294	2.744	2.942	2.501	36.805
	NEW	1.746	1.421	1.501	1.419	1.322	1.686	1.527	1.362	1.521	1.347	1.559	1.276	17.687
	USED	1.964	1.671	1.804	1.733	1.775	1.284	1.665	1.444	1.773	1.397	1.383	1.225	19.118
2006	TOTAL	3.433	2.668	3.215	2.582	3.161	3.524	3.268	2.719	2.773	1.481	3.240	3.046	35.110
	NEW	1.931	1.249	1.734	1.351	1.599	1.948	1.816	1.399	1.472	689	1.773	1.678	18.639
	USED	1.502	1.419	1.481	1.231	1.562	1.576	1.452	1.320	1.301	792	1.467	1.368	16.471
2007	TOTAL	4.111	3.614	4.537	3.700	4.538	4.643	4.408	3.953	3.962	4.162	3.972	2.533	48.133
	NEW	2.010	1.767	2.125	1.707	2.273	2.305	2.004	1.813	1.966	1.841	1.900	1.167	22.878
	USED	2.101	1.847	2.412	1.993	2.265	2.338	2.404	2.140	1.996	2.321	2.072	1.366	25.255
2008	TOTAL	4.512	4.156	3.957	3.816	4.496	4.426	4.941	3.443	5.090	4.156	3.211	2.896	49.100
	NEW	2.229	1.777	1.893	1.809	2.016	2.108	2.211	1.423	2.283	1.767	1.320	1.405	22.241
	USED	2.283	2.379	2.064	2.007	2.480	2.318	2.730	2.020	2.807	2.389	1.891	1.491	26.859
2009	TOTAL	3.342	3.158	3.479	3.297	3.145	3.417	3.665	2.194	3.051	2.589	2.716	2.199	36.252
	NEW	1.485	1.452	1.471	1.399	1.310	1.361	1.486	739	1.158	920	1.187	1.013	14.981
	USED	1.857	1.706	2.008	1.898	1.835	2.056	2.179	1.455	1.893	1.669	1.529	1.186	21.271
2010	TOTAL	2.604	2.688	2.979	2.611	2.668	2.964	2.777	1.971	2.717	2.534	2.562	2.348	31.423
	NEW	1.068	1.309	1.247	1.171	1.132	1.380	1.188	809	1.194	1.115	1.304	1.171	14.088
	USED	1.536	1.379	1.732	1.440	1.536	1.584	1.589	1.162	1.523	1.419	1.258	1.177	17.335
2011	TOTAL	2.497	2.334	2.432	2.126	2.425	2.252	2.016	1.873	2.037	2.271	2.168	2.050	26.481
	NEW	1.273	1.185	1.237	1.051	1.314	1.140	928	900	970	1.158	1.159	988	13.303
	USED	1.224	1.149	1.195	1.075	1.111	1.112	1.088	973	1.067	1.113	1.009	1.062	13.178

Note: Private saloon cars include invalid carriages and learners´ vehicles

(Last Updated 22/12/2011)

Appendix 4: Focus Group Manual with the Management team

Slide 1

Focus Group Manual with the Management team

- **Title of the research project:** Development and Implementation Issues for Managing Sales Performance.
- **Type of project:** A project submitted to Middlesex University in partial fulfilment of the requirements for the degree of Doctor of Professional Studies.
- **Doctorate candidate:** Angelos Vouldis
- **Focus Group Purpose:** This focus group seeks to capture various views of management of the host organisation under the perspectives of the possible models and frameworks for measuring and managing sales performance outlined their expectations and potential limitations.
- **Location:** Training/ Conference room: Cyprus Import Corporation Ltd 49 Kampou, 2030 Strovolos, Cyprus.
- **Date: 22/06/2011**
- **Moderator:** Angelos Vouldis

Slide 2

Focus Group Manual with the Management team
Participants

Name	Position in the Organisation	Email	Signature

The focus group will be recorded and your responses will remain anonymous in the report.

Slide 3

Development and Implementation Issues for Managing Sales Performance

A Focus Group with the management team

Angelos Vouldis	Sales and Marketing Department Mercedes – Benz Cyprus, Cyprus Import Corporation Ltd, Cyprus

Training/ Conference room: Cyprus Import Corporation Ltd 49 Kampou, 2030 Strovolos, Cyprus

Slide 4

Focus Group Questions

1. What do we have to change and improve in Mercedes-Benz Cyprus?
2. Which model, framework or approach (or combination of them) can be used to manage and measure sales performance in Mercedes Benz –Cyprus?
3. Which of the existing tools can be used to manage and measure business performance in Mercedes Benz –Cyprus?
4. Who will be involved in the procedure of measuring and managing the sales performance in Mercedes – Benz Cyprus?

Slide 5

Agenda

- Introduction
- Focus Group Questions
- Presentation of the potential models and frameworks
- Presentation of the Existing tools used by the organisation
- Discussion

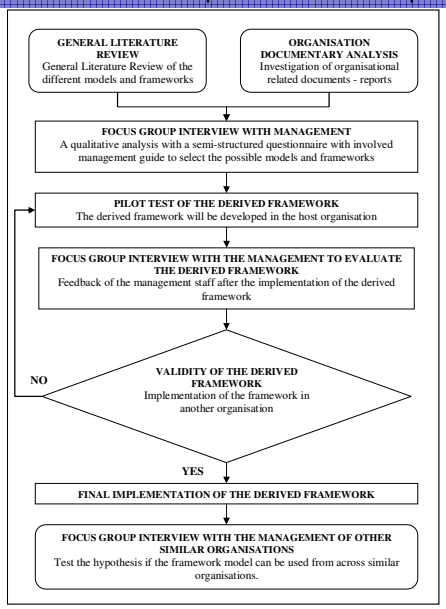
Slide 6

Introduction

- This presentation reviews:
  - the literature regarding existing frameworks and models in relation to performance measurement;
  - the existing tools that are already have been used by the organisation
- Data has been collected through a literature review
- Findings will be considered supporting stakeholders to decide on the approach or balance of approaches that would best suit the organisation

Slide 7

Introduction - implementation process



Slide 8

Models and frameworks for performance measurement

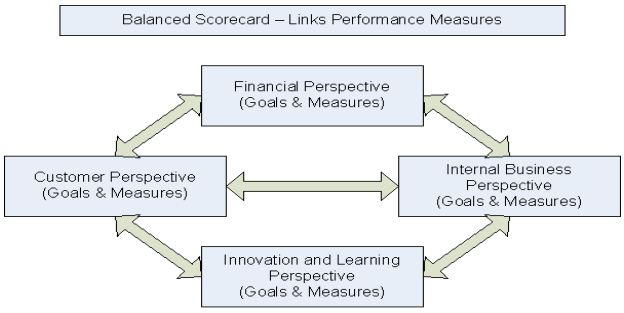
The more widely used models and frameworks for performance measurement are:

- Balanced Scorecard Framework
- European Foundation for Quality Management (EFQM) Excellence Model®
- ISO 9001:2000
- Six Sigma
- Performance Prism
- Tableau de Bord (France)

Slide 9

Balanced Scorecard Framework

It proposes measuring enterprise performance under four different perspectives. Balanced Scorecard Perspectives (Kaplan & Norton, 1992)



- The Financial Perspective links the financial objectives to the corporate strategy of an organisation
- The Customer Perspective examines aspects related to customers' perceptions
- The Innovation and Learning Perspective involved organisational learning and growth
- The Internal Business Perspective focuses on all actions and key processes

Slide 10

Balanced Scorecard Framework

Advantages

- It integrates financial and non-financial, internal and external classes (Neely et al, 2001)
- Tool for improving communication, setting organizational objectives and providing feedback on strategy (Anthony & Govindorajan, 1998) .
- It can be used at all levels with minimal resource implications for implementing.

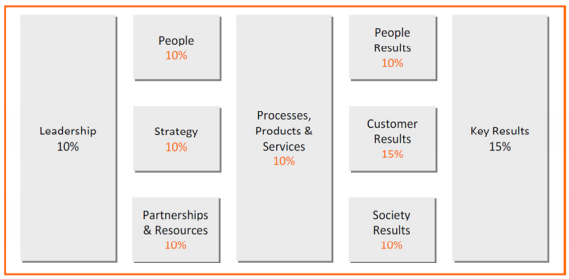
Disadvantages

- Not take under consideration employee satisfaction, supplier performance, product and service quality, environmental and community perspective (Brown, 1996; Lingle & Schiemann, 1996; Maisel, 1992).
- It criticised for being static and ignoring the external environment (Norreklit, 2003; Voelpel et al., 2006).

Slide 11

European Foundation for Quality Management (EFQM) Excellence Model®

Self-assessment is used for implementing the EFQM model (Black & Crumley, 1997).



The EFQM Excellence Model 2010 (Gemoets, 2010)

- Divided into two areas, five 'enablers' and four 'results' with a specific criterion weights for each element if an organisation wants to achieve 'Excellence'
- Questionnaires and workshops can be used across the organisation

Slide 12

European Foundation for Quality Management (EFQM) Excellence Model®

Advantages

- Provide an objective, systemic measure of an organization's strengths (Black & Crumley, 1997)
- Cover all management activities composed of input, process, and output (Black & Crumley, 1997; Seghezzi, 2001).
- Support organisations to achieve business excellence through continuous improvement and deployment of processes (Andersen et al., 2003).

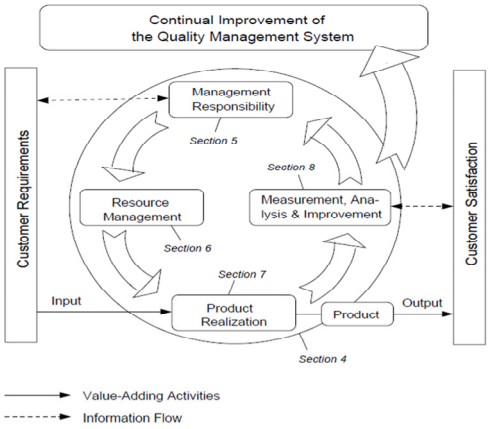
Disadvantages

- Lack of guidelines for identifying problems that result from organizational weaknesses (Rusjan, 2005)
- The long-term nature of the EFQM Excellence Model makes it unsuitable for "quick fixes" (Hides et al. ,2004)

Slide 13

ISO 9001:2000

It has four basic steps: Say what you do. Do what you say. Record what is done. Improve, based on the results. (Delnista, 1999).



- Enhance customer satisfaction by meeting customer requirements with a process-based quality management system

Slide 14

ISO 9001:2000

Advantages

- Flexible enough to fit any sort of organisation (Tricker & Lucas, 2005)
- Significant effect on operational performance (Feng et al, 2007) .

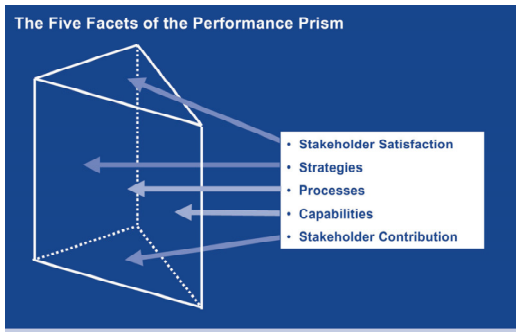
Disadvantages

- Lack of top management support and commitment;
- Employee resistance change;
- Lack of understanding of ISO 9000 system;
- Constraints on resources (manpower, time, finance);
- Unclear benefits of obtaining certification (Quazi & Padibjo, 1998)

Slide 15

The Performance Prism

Second generation of performance measurement framework which considers the wants and needs of all the organisation's stakeholders.



- Neely et.al (2001) described the Performance Prism consists of five interrelated facets
- The model uses strategy maps identifying the objectives and drivers of performance that are inherent in the organisation's strategy. The maps are usually developed in cross-functional management workshops.

Slide 16

The Performance Prism

Advantages

- Enable a balanced picture of the business (Neely, 2002).
- Drill down from strategies to processes and to capabilities (Adams & Neely, 2000).

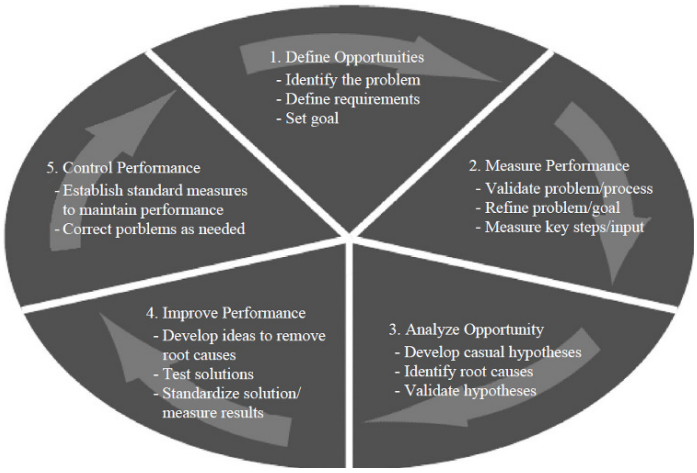
Disadvantages

- It does not provide any mechanisms to identify key performance indicators, nor does it explicitly integrate the concept of continuous improvement (Ghalayini et al., 1997).
- No consideration is given to the existing performance measurement activities that companies may have in place (Medori & Steeple, 2000).
- Developed recently and there is limited experience of using it in different organisations.

Slide 17

Six Sigma

Extension of Total Quality Management (TQM) (Wyper & Harrison, 2000). Most six sigma organisations use the five-step cycle for process improvement as well as for new process design (McCarty &Fisher, 2007)



- Focus on making improvements in the area of customer satisfaction, reducing errors and defects, reducing cycle time.

Slide 18

Six Sigma

Advantages

- Aligning key business processes and customer requirements with the organisation's strategic goals
- Instituting a standard measurement system to be used throughout the organisation
- Identifying appropriate metrics that focus on business results and accountability

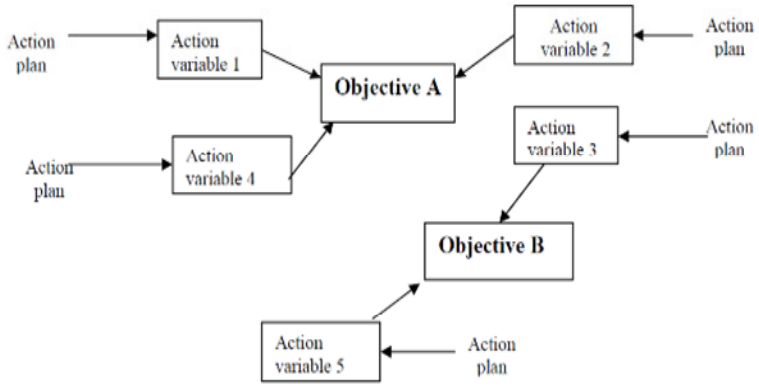
Disadvantages

- Six sigma is nothing new and simply repackages traditional principles and techniques related to quality (Catherwood, 2002).
- Applicability of six sigma concerns by a lack of data availability and the nature of sales transactions in a sales organisation.

Slide 19

Tableau de Bord

Used in French enterprises. Based on the premise of existence of the causal relationships between strategic action variable and strategic objective enacted by correspondent strategic plan (Bourguingnon et al., 2004)



Slide 20

Tableau de Bord

Advantages

- Concentrate on only a few key items of information, which focus on the specific area of responsibility
- Make the information quickly available according to the specific demand of a decision maker and also outside the frequency and periodicity of accounting

Disadvantages

- It has undefined structure (Lardenoije et al., 2005)
- Lack of predefined performance areas

Slide 21

Summary existing literature

Performance Models	Scope	Time	Resources	Staff involvement	Flexibility
Balanced Scorecard Framework	Holistic model that can be used at various levels across the organisation.	Four to six months to implementation depending on level of measurement in place	Low resource investment – often just facilitation costs and staff time.	Inclusive if scorecards are cascaded and widely deployed	It integrates different classes of organisational performance – financial and non-financial, internal and external.
European Foundation for Quality Management (EFQM) Excellence Model®	Holistic self assessment model	Approximately six weeks	Essential external expert support	Fully inclusive. Workshops approach can be used across the organisation	Long-term nature of the EFQM link flexibility to the level of maturity
ISO 9001:2000	Tool for implementing the TQM	Implementation six to nine months	Internal expert is essential. External auditor organisation is vital to be used.	Inclusive of staff in the areas of activity being improved.	Connected with the loop of the continual improvement.

Slide 22

Summary existing literature

Performance Models	Scope	Time	Resources	Staff involvement	Flexibility
Performance Prism	Focus to analyse stakeholders needs	Up to approx. six months	Several management workshops are necessary	Considers the wants and needs of all the organisation's stakeholders.	It achieves a comprehensiveness and wide-angle view
Six Sigma	Statistical focus for process improvement	it will normally take three to nine months	Consultancy requirement	Focuses on making improvements in the area of customer satisfaction	Dynamic operational capabilities with consultancy support
Tableau de Bord	Translating the vision and mission into a set of objectives	It is simple and can therefore be 'installed' relatively quickly.	Low resource investment	Support management to share responsibilities	It primarily provides information about the operational areas less about the purely financial aspects

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Existing tools used by the organisation

ISO 9001:2000

- It supports organisation to follow the standard procedures in order to deliver the desired product and service to the customer's needs and expectations.
- Internal audit reports are considered by the management review committee to ascertain the effectiveness, consistency and suitability of the system for the operation's needs.

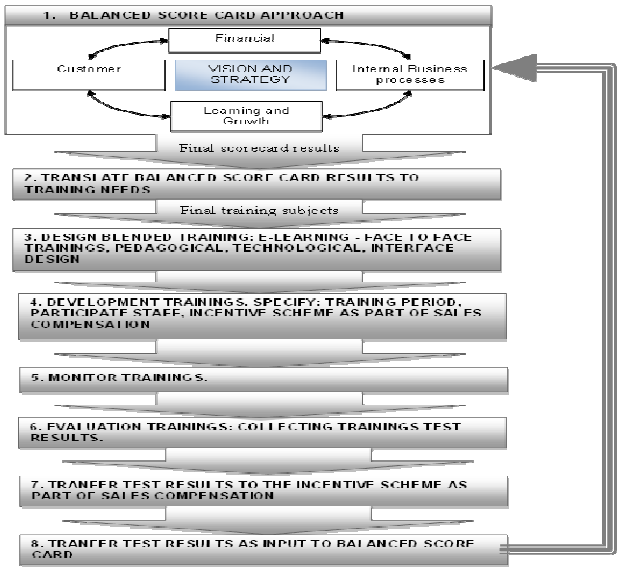
Using blended learning methods for enhancing sales performance

- Using as performance management tool the balanced score card approach the final scorecard results are translated to blended learning trainings.

Slide 24

Existing tools used by the organisation

Using blended learning methods for enhancing sales performance (Vouldis & Kokkinaki, 2010)

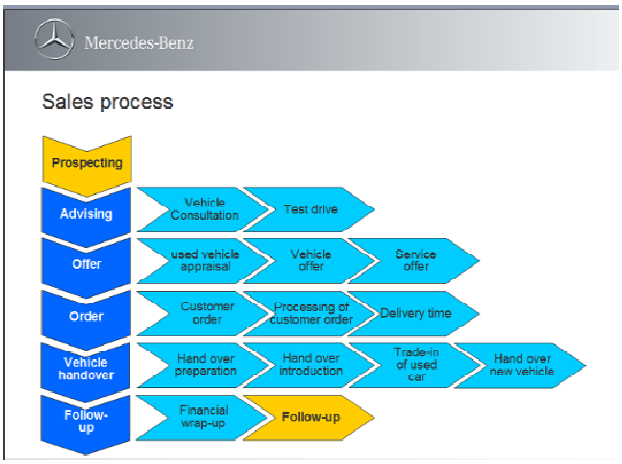


Slide 25

Existing tools used by the organisation

Information from the advanced Training for Experienced District Managers

- A map of the sales process for the development of the important key performance indicators.



Slide 26

Existing tools used by the organisation

Monthly meetings, reports and visits to branches.

- Establish a standardised procedure for reporting, meetings and visits to dealers in order to analyse, control and finally improve sales performance.

Sales Funnel

- Daimler A.G developed the Sales Funnel Management tool to support the organisation to work systematically in controlling the sales process and the expenditure on the marketing measures. Tracking of the activity of the sales persons and showroom traffic.

Compensation system

- A motivated and sales boosting compensation system for the sales & marketing department. The main targets were to reduce number of old stock vehicles, increase sales performance with rewarding cooperation, collaboration and teamwork. In order for a compensation system to be an effective motivator, it must consider: the behaviours and results desired; the rewards that motivate employees; and the conditions necessary to facilitate this relationship

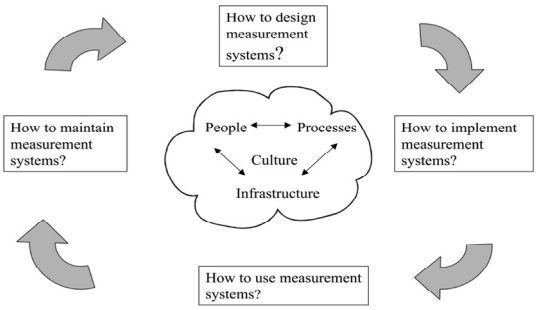
Slide 27

Selecting the appropriate model or framework

it will support to:

- Expand a deeper understanding of the factors of sales productivity
- Develop a common understanding for monitoring and improving performance
- Recognise sales performance from a variety of perspectives

Performance measurement framework must have practical value into four interlinked themes (Neely et.al, 2000) :



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Summary

- There is no single model or process for developing performance objectives and measures, nor is there a process that will guarantee good results;
- It has been attempted to synthesize this models and frameworks with the aim to for the size, kind, and available resources;
- Taken in consideration the culture and the existing tools that are already have been used by the organisation;
- Involve all the key stakeholders across the organisation;
- Considered to extract and communicate insights rather than performance data;
- Key capabilities and responsibilities must be in place.;
- An effectively measurement system must be evaluate with the time, effort and finally with implementation and running costs;
- Performance is an outcome of both organisational and human activities (De Waal, 2002);
- Performance measurement system should be a dynamic system and must include information from the wider environment.

Slide 29

Q & A

Thank You!

Appendix 5: Word Frequency report with Nvivo. Focus group with the management team

Word	Length	Count	Weighted Percentage (%)	Final results
performance	11	24	1,59	
bsc	3	14	0,93	'Balanced Score card' count 14, Weighted Percentage (%): 0,93%
βελτιώσουμε	11	14	0,93	'improving' count 14, Weighted Percentage (%): 0,93%
πωλητές	7	13	0,86	'Salesmen': count 13, Weighted Percentage (%): 0,86%
κρίση	5	10	0,66	'Financial crisis': count 10, Weighted Percentage (%): 0,66
οικονομική	10	10	0,66	
ώστε	4	10	0,66	
iso	3	9	0,60	'iso': count 9, Weighted Percentage (%): 0,60
έχουμε	6	9	0,60	
ήδη	3	9	0,60	
αλλά	4	9	0,60	
περισσότερο	11	9	0,60	
τι	2	9	0,60	
analysis	8	8	0,53	
Training	8	8	0,53	'Training': count 8, Weighted Percentage (%): 0,53
swot	4	8	0,53	'swot': count 8, Weighted Percentage (%): 0,53

Appendix 6: Data results for the evaluation of the models or frameworks from the management staff

Participant	Model or Framework	Category	Acceptance	Value
Participant1	BSC	Scope	Strong	1
Participant1	BSC	Time	Strong	1
Participant1	BSC	Resources	Strong	1
Participant1	BSC	Staff	Strong	1
Participant1	BSC	Flexibility	Strong	1
Participant1	ISO	Scope	Neutral	2
Participant1	ISO	Time	Strong	1
Participant1	ISO	Resources	Strong	1
Participant1	ISO	Staff	Strong	1
Participant1	ISO	Flexibility	Low	3
Participant1	EFQM	Scope	Strong	1
Participant1	EFQM	Time	Low	3
Participant1	EFQM	Resources	Neutral	2
Participant1	EFQM	Staff	Low	3
Participant1	EFQM	Flexibility	Low	3
Participant1	Performance Prism	Scope	Low	3
Participant1	Performance Prism	Time	Low	3
Participant1	Performance Prism	Resources	Low	3
Participant1	Performance Prism	Staff	Low	3
Participant1	Performance Prism	Flexibility	Low	3
Participant1	Six Sigma	Scope	Strong	1
Participant1	Six Sigma	Time	Low	3
Participant1	Six Sigma	Resources	Strong	1
Participant1	Six Sigma	Staff	Strong	1
Participant1	Six Sigma	Flexibility	Low	3
Participant1	Tableau de Bord	Scope	Low	3
Participant1	Tableau de Bord	Time	Low	3
Participant1	Tableau de Bord	Resources	Low	3
Participant1	Tableau de Bord	Staff	Low	3
Participant1	Tableau de Bord	Flexibility	Low	3
Participant2	BSC	Scope	Strong	1
Participant2	BSC	Time	Low	3
Participant2	BSC	Resources	Strong	1
Participant2	BSC	Staff	Strong	1
Participant2	BSC	Flexibility	Strong	1
Participant2	ISO	Scope	Strong	1
Participant2	ISO	Time	Strong	1
Participant2	ISO	Resources	Strong	1
Participant2	ISO	Staff	Strong	1
Participant2	ISO	Flexibility	Low	3
Participant2	EFQM	Scope	Low	3

Acceptance	Value
Strong	1
Neutral	2
Low	3

Participant	Model or Framework	Category	Acceptance	Value
Participant2	EFQM	Time	Low	3
Participant2	EFQM	Resources	Neutral	2
Participant2	EFQM	Staff	Low	3
Participant2	EFQM	Flexibility	Low	3
Participant2	Performance Prism	Scope	Low	3
Participant2	Performance Prism	Time	Low	3
Participant2	Performance Prism	Resources	Low	3
Participant2	Performance Prism	Staff	Low	3
Participant2	Performance Prism	Flexibility	Low	3
Participant2	Six Sigma	Scope	Low	3
Participant2	Six Sigma	Time	Low	3
Participant2	Six Sigma	Resources	Low	3
Participant2	Six Sigma	Staff	Strong	1
Participant2	Six Sigma	Flexibility	Low	3
Participant2	Tableau de Bord	Scope	Low	3
Participant2	Tableau de Bord	Time	Low	3
Participant2	Tableau de Bord	Resources	Low	3
Participant2	Tableau de Bord	Staff	Low	3
Participant2	Tableau de Bord	Flexibility	Low	3
Participant3	BSC	Scope	Strong	1
Participant3	BSC	Time	Neutral	2
Participant3	BSC	Resources	Neutral	2
Participant3	BSC	Staff	Neutral	2
Participant3	BSC	Flexibility	Strong	1
Participant3	ISO	Scope	Strong	1
Participant3	ISO	Time	Strong	1
Participant3	ISO	Resources	Strong	1
Participant3	ISO	Staff	Strong	1
Participant3	ISO	Flexibility	Strong	1
Participant3	EFQM	Scope	Low	3
Participant3	EFQM	Time	Neutral	2
Participant3	EFQM	Resources	Neutral	2
Participant3	EFQM	Staff	Low	3
Participant3	EFQM	Flexibility	Low	3
Participant3	Performance Prism	Scope	Neutral	2
Participant3	Performance Prism	Time	Low	3
Participant3	Performance Prism	Resources	Low	3
Participant3	Performance Prism	Staff	Low	3
Participant3	Performance Prism	Flexibility	Low	3
Participant3	Six Sigma	Scope	Neutral	2

Participant	Model or Framework	Category	Acceptance	Value
Participant3	Six Sigma	Time	Low	3
Participant3	Six Sigma	Resources	Low	3
Participant3	Six Sigma	Staff	Neutral	2
Participant3	Six Sigma	Flexibility	Low	3
Participant3	Tableau de Bord	Scope	Low	3
Participant3	Tableau de Bord	Time	Low	3
Participant3	Tableau de Bord	Resources	Low	3
Participant3	Tableau de Bord	Staff	Low	3
Participant3	Tableau de Bord	Flexibility	Low	3
Participant4	BSC	Scope	Neutral	2
Participant4	BSC	Time	Neutral	2
Participant4	BSC	Resources	Neutral	2
Participant4	BSC	Staff	Neutral	2
Participant4	BSC	Flexibility	Neutral	2
Participant4	ISO	Scope	Strong	1
Participant4	ISO	Time	Strong	1
Participant4	ISO	Resources	Strong	1
Participant4	ISO	Staff	Strong	1
Participant4	ISO	Flexibility	Neutral	2
Participant4	EFQM	Scope	Low	3
Participant4	EFQM	Time	Neutral	2
Participant4	EFQM	Resources	Neutral	2
Participant4	EFQM	Staff	Low	3
Participant4	EFQM	Flexibility	Low	3
Participant4	Performance Prism	Scope	Neutral	2
Participant4	Performance Prism	Time	Low	3
Participant4	Performance Prism	Resources	Low	3
Participant4	Performance Prism	Staff	Low	3
Participant4	Performance Prism	Flexibility	Low	3
Participant4	Six Sigma	Scope	Neutral	2
Participant4	Six Sigma	Time	Low	3
Participant4	Six Sigma	Resources	Low	3
Participant4	Six Sigma	Staff	Neutral	2
Participant4	Six Sigma	Flexibility	Low	3
Participant4	Tableau de Bord	Scope	Low	3
Participant4	Tableau de Bord	Time	Low	3
Participant4	Tableau de Bord	Resources	Low	3
Participant4	Tableau de Bord	Staff	Low	3
Participant4	Tableau de Bord	Flexibility	Low	3
Participant5	BSC	Scope	Neutral	2

Participant	Model or Framework	Category	Acceptance	Value
Participant5	BSC	Time	Neutral	2
Participant5	BSC	Resources	Neutral	2
Participant5	BSC	Staff	Neutral	2
Participant5	BSC	Flexibility	Neutral	2
Participant5	ISO	Scope	Strong	1
Participant5	ISO	Time	Strong	1
Participant5	ISO	Resources	Strong	1
Participant5	ISO	Staff	Strong	1
Participant5	ISO	Flexibility	Neutral	2
Participant5	EFQM	Scope	Low	3
Participant5	EFQM	Time	Neutral	2
Participant5	EFQM	Resources	Neutral	2
Participant5	EFQM	Staff	Low	3
Participant5	EFQM	Flexibility	Low	3
Participant5	Performance Prism	Scope	Neutral	2
Participant5	Performance Prism	Time	Low	3
Participant5	Performance Prism	Resources	Low	3
Participant5	Performance Prism	Staff	Low	3
Participant5	Performance Prism	Flexibility	Low	3
Participant5	Six Sigma	Scope	Neutral	2
Participant5	Six Sigma	Time	Low	3
Participant5	Six Sigma	Resources	Low	3
Participant5	Six Sigma	Staff	Neutral	2
Participant5	Six Sigma	Flexibility	Low	3
Participant5	Tableau de Bord	Scope	Low	3
Participant5	Tableau de Bord	Time	Low	3
Participant5	Tableau de Bord	Resources	Low	3
Participant5	Tableau de Bord	Staff	Low	3
Participant5	Tableau de Bord	Flexibility	Low	3
Participant6	BSC	Scope	Neutral	2
Participant6	BSC	Time	Neutral	2
Participant6	BSC	Resources	Neutral	2
Participant6	BSC	Staff	Neutral	2
Participant6	BSC	Flexibility	Neutral	2
Participant6	ISO	Scope	Strong	1
Participant6	ISO	Time	Strong	1
Participant6	ISO	Resources	Strong	1
Participant6	ISO	Staff	Strong	1
Participant6	ISO	Flexibility	Neutral	2
Participant6	EFQM	Scope	Low	3
Participant6	EFQM	Time	Neutral	2
Participant6	EFQM	Resources	Neutral	2
Participant6	EFQM	Staff	Low	3
Participant6	EFQM	Flexibility	Low	3

Participant	Model or Framework	Category	Acceptance	Value
Participant6	Performance Prism	Scope	Neutral	2
Participant6	Performance Prism	Time	Low	3
Participant6	Performance Prism	Resources	Low	3
Participant6	Performance Prism	Staff	Low	3
Participant6	Performance Prism	Flexibility	Low	3
Participant6	Six Sigma	Scope	Neutral	2
Participant6	Six Sigma	Time	Low	3
Participant6	Six Sigma	Resources	Low	3
Participant6	Six Sigma	Staff	Neutral	2
Participant6	Six Sigma	Flexibility	Low	3
Participant6	Tableau de Bord	Scope	Low	3
Participant6	Tableau de Bord	Time	Low	3
Participant6	Tableau de Bord	Resources	Low	3
Participant6	Tableau de Bord	Staff	Low	3
Participant6	Tableau de Bord	Flexibility	Low	3

Appendix 7: Data results for the evaluation of the existing reports and tools from the management staff

Participant	Tool	Answer	Value
Participant1	ISO 9001:2000	Yes	1
Participant1	Using blended learning methods for enhancing sales performance	Yes	1
Participant1	Information from the advanced Training for Experienced District Managers	Yes	1
Participant1	Monthly meetings, reports and visits to branches.	Yes	1
Participant1	Sales Funnel	Yes	1
Participant1	Compensation system	No	2
Participant2	ISO 9001:2000	Yes	1
Participant2	Using blended learning methods for enhancing sales performance	Yes	1
Participant2	Information from the advanced Training for Experienced District Managers	Yes	1
Participant2	Monthly meetings, reports and visits to branches.	Yes	1
Participant2	Sales Funnel	Yes	1
Participant2	Compensation system	Yes	1
Participant3	ISO 9001:2000	Yes	1
Participant3	Using blended learning methods for enhancing sales performance	Yes	1
Participant3	Information from the advanced Training for Experienced District Managers	Yes	1
Participant3	Monthly meetings, reports and visits to branches.	Yes	1
Participant3	Sales Funnel	Yes	1
Participant3	Compensation system	No	2
Participant4	ISO 9001:2000	Yes	1
Participant4	Using blended learning methods for enhancing sales performance	Yes	1
Participant4	Information from the advanced Training for Experienced District Managers	Yes	1
Participant4	Monthly meetings, reports and visits to branches.	Yes	1
Participant4	Sales Funnel	Yes	1
Participant4	Compensation system	No	2
Participant5	ISO 9001:2000	Yes	1
Participant5	Using blended learning methods for enhancing sales performance	Yes	1
Participant5	Information from the advanced Training for Experienced District Managers	Yes	1
Participant5	Monthly meetings, reports and visits to branches.	Yes	1
Participant5	Sales Funnel	Yes	1
Participant5	Compensation system	Yes	1
Participant6	ISO 9001:2000	Yes	1

Answer	Value
Yes	1
No	2

Participant	Tool	Answer	Value
Participant6	Using blended learning methods for enhancing sales performance	Yes	1
Participant6	Information from the advanced Training for Experienced District Managers	Yes	1
Participant6	Monthly meetings, reports and visits to branches.	Yes	1
Participant6	Sales Funnel	Yes	1
Participant6	Compensation system	Yes	1

Appendix 8: Interview Manual with the Management of team evaluation framework

Slide 1

FOCUS GROUP WITH THE MANAGEMENT TO EVALUATE THE DERIVED FRAMEWORK

- **Title of the research project:** Development and Implementation Issues for Managing Sales Performance
- **Host organisation:** Cyprus Import Corporation Ltd. General Distributor in Cyprus for all Mercedes-Benz vehicles
- **Interview Purpose:** This focus group seeks to evaluate the derived framework.
- **Location:** Monthly Manager Meeting, central showroom of Cyprus Import Corporation, Nicosia, Cyprus.
- **Date: 15/11/2011**
- **Moderator:** Angelos Vouldis, Sales and Marketing Department Mercedes – Benz Cyprus, Cyprus Import Corporation Ltd, Cyprus

Slide 2

Agenda

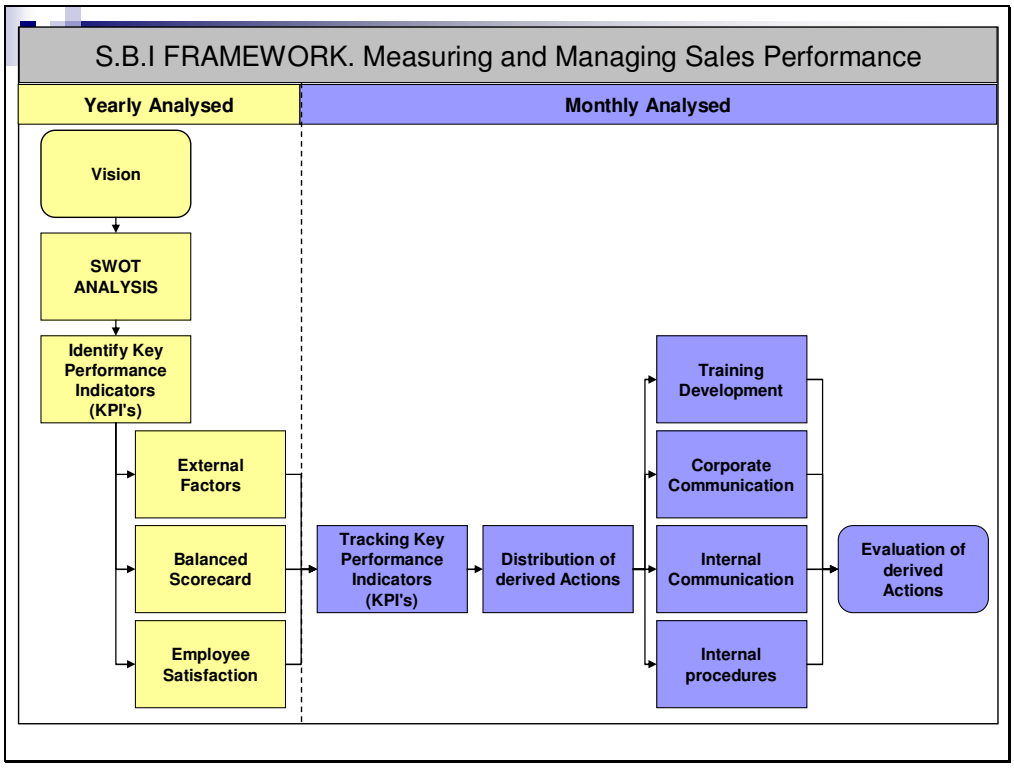
- Presentation of the derived framework
- Interview Questions

Slide 3

Presentation of the derived framework

- S.B.I an integrated framework for measuring and managing sales performance
- The methodology is based on an integrated framework composed of SWOT Analysis, Balanced Score Card and Internal Procedures. It was called S.B.I for the abbreviation of the words SWOT Analysis, Balanced Score Card and Internal Procedures.

Slide 4



Slide 5

Interview Questions

- Do you think this framework is missing any important factor for measuring and managing sales performance?

Please give your opinion:

_____

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Slide 6

Interview Questions

- Do you think this framework gives accurate and on time results?

Please give your opinion:

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Slide 7

Interview Questions

- Do you find the results of this framework understandable and flexible as a decision making tool?

Please give your opinion:

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Slide 8

Thank You!

Appendix 9: Interview Manual with the Management of other similar organisations

Slide 1

Interview with the Management other similar organisations

- **Title of the research project:** Development and Implementation Issues for Managing Sales Performance
- **Host organisation:** Cyprus Import Corporation Ltd. General Distributor in Cyprus for all Mercedes-Benz vehicles
- **Interview Purpose:** This focus group seeks to test the hypothesis if the suggested framework can be used from across other similar organisations.
- **Location:** Workshop Advanced District Managers Nov 10th-11th 2011 Stuttgart. Global Training Center is Hauptstrasse 31, 70563 Stuttgart-Vaihingen.
- **Date: 10/11/2011**
- **Moderator:** Angelos Vouldis, Sales and Marketing Department Mercedes – Benz Cyprus, Cyprus Import Corporation Ltd, Cyprus

Your responses will remain anonymous in the report.

Slide 2

Agenda

- Introduction
- Presentation of the derived framework
- Interview Questions

Slide 3

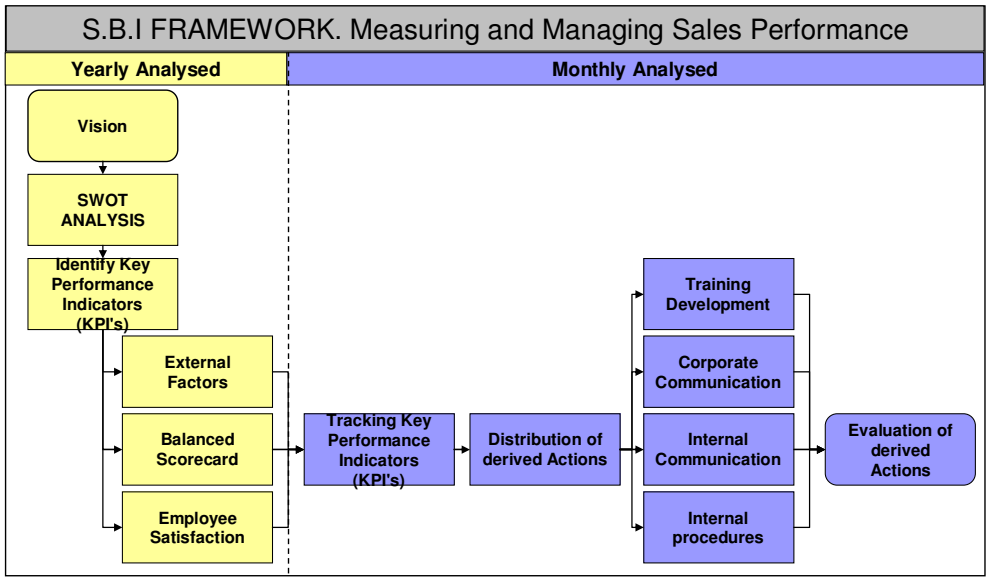
Introduction

- The project concentrates on the issues Mercedes Benz Cyprus is facing in developing and implementing an efficient and cost-effective conceptual framework for measuring and managing sales performance. This framework can be implemented in wholesale or retail level.
- A performance measurement supports organisations in periodically setting targets and then providing feedback on development towards those targets.
- A literature review was conducted. Through this literature review, models, frameworks and approaches that can be used to manage and measure business performance in Mercedes Benz –Cyprus was identified. Following this, factors for measuring and managing business performance in Mercedes – Benz Cyprus was outlined. The proposed performance measurement approach was evaluated within the specific organisation.
- The research indicates that there is no single model or process for developing performance objectives and measures, nor a process that will guarantee good results. It has been essential to synthesise and extend the existing models and frameworks with the aim to produce the most suitable conceptual framework based on the size, kind, and available resources.

Slide 4

Presentation of the derived framework

- S.B.I an integrated framework for measuring and managing sales performance



Slide 5

S.B.I an integrated framework for measuring sales performance

- **Vision:** Vision must be effectively communicated by top management to the organisation. The design and construction of performance measurement systems and indicators should be developed according to the common visions of enterprises (Hoffecker & Goldenberg, 1994).
- **SWOT Analysis:** Including a SWOT analysis in the derived framework identifies and assesses the areas which are used for measuring and managing sales performance. The assessment of strengths, weaknesses, opportunities and threats are facilitated through meetings with the management staff of the sales & marketing department of the host organisation.
- **Identify Key Performance Indicators (KPI's):** KPIs represent a set of measures focusing on those aspects of organisational performance that are the most critical for the current and future success of the organisation. Tools: Sales Funnel, CSI reports, Monthly reports etc
- **Balanced Scored Card:** BSC focuses in four different perspectives, namely financial, customer, internal business process and learning. Kaplan & Norton (2001) state that BSC is a 'key communication vehicle for reporting, planning and budgetary processes, and observe that it can streamline communication tool'.
- **External Factors:** KPIs must be dynamic reflecting the changes in the external environment. Sales performance is influenced by the instability of changes in the external and international environment.

Slide 6

S.B.I an integrated framework for measuring sales performance

- **Employee Satisfaction:** Job satisfaction are important elements of organisational management, behavior and development (Cranny et al., 1992). A method which can be used for measuring employee satisfaction is a survey questionnaire with mainly closed questions.
- **Tracking Key Performance Indicators (KPI's):** It is essential to use a cost-effective software meet organisation performance requirements. It can be used a Reporting Analysis Tool based on Microsoft Excel which transformed the Excel from a simple spreadsheet to a sophisticated powerful business tool based on the derived framework.
- **Distribution of derived Actions:** Based on the results of KPIs four different categories of actions can be implemented meetings, ISO procedures, blended trainings and sales and marketing measures. The management team has the responsibility for planning and taking the decisions for selecting a combination or one of the fourth different action categories.
- **Blended Trainings :** The blended learning combines several different delivery methods, such as collaboration software, Web-based courses, and knowledge management practices. 'e-learning is a business performance improvement tool, not a training tool. Effective e-learning drives you toward measurable business goals increasing product revenue ramp rate, reducing turnover, reducing rework, or increasing customer satisfaction ratings (Bersin, 2002).
- **Marketing & Sales Measures :** Marketing & sales measures can be integrated with the QSM Analysis and with the marketing plan of the organisation.

Slide 7

S.B.I an integrated framework for measuring sales performance

- **Meetings:** Establishing a standardised procedure for meetings and visits to dealers in order to analyse, control and finally improve sales performance.
- **ISO procedures:** ISO Quality System has a positive impact on operational effectiveness. It supports the organisation to follow the standard procedures in order to deliver the desired product and service to the customer's needs and expectations.

Slide 8

Interview Questions

- Does your organisation or your dealers have in place any framework for measuring sales performance? Do you think that it is necessary for improving sales performance?

Please give your opinion:

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Slide 9

Interview Questions

- Can be implemented this integrated framework in your organisation or on your dealers? If Yes, What are the issues can be faced during the implementation and running of this framework?

Please give your opinion:

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Slide 10

Interview Questions

- Who do you believe must be responsible for implementing and running this framework?

Please give your opinion:

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Slide 11

Thank You!

Appendix 10: Participants list – business cards for focus group interview with management of the host organisation model and framework investigation

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Appendix 11: Participants list – business cards for the focus group with the management of other similar organisations

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Appendix 12: Paper 1: A Critical Review of Business Performance Models and Frameworks and Their Application to Sales Organisations

3rd European Conference on Intellectual Capital, University of Nicosia, Cyprus, 18-19 April 2011

http://academic-conferences.org/ecic/ecic2011/ecic11-proceedings.htm

A Critical Review of Business Performance Models and Frameworks and Their Application to Sales Organisations

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Abstract: In view of the recent developments of the global economy, the organisations have placed in high priority the development of efficient, yet cost-effective management processes. Within this orientation, efficient and cost-effective monitoring and measurement of performance in marketing and sales has also received increased attention. This paper reviews the literature regarding existing frameworks and models that have been proposed so far in relation to performance measurement. It aims to raise awareness and understanding of some of the most popular performance improvement models and frameworks available to organisations. It sheds light on the common problems people face into why managing performance can be so difficult and why some of the best attempts at improvement can fail. Most organisations still do not have appropriate methods for measurement business performance. The paper draws on both academic literature and organisational practice to support the selection of the appropriate model or framework that works best for measuring business performance of an organisation.
It is involved a critical review of the background, scope, key strengths, issues in implementation for every important particular performance management model. The criteria for selecting the appropriate model or framework focus on the align daily work to the organisation's strategic objectives, provide a structured approach to strategic management, establish winning performance indicators, support internal and external communication, sustain customer satisfaction at all times and finally identify strengths and areas for improvement.
Frameworks and models to be covered will include the Balanced Scorecard, European Foundation for Quality Management (EFQM) Excellence Model®, ISO 9001:2000, Six Sigma, Performance Prism and Tableau de Bord (France). A key theme that will run throughout this review will be the fact that each of these measurement frameworks offers a partial view of business performance.
Based on the literature review the paper suggests a framework for comparing these alternative approaches which fulfils the identified lacks and strengths focus on their application to sales organisations.

Keywords: Performance measurement, performance management, sales organisation, literature review, business performance models, business performance frameworks

Introduction

This paper reviews the literature regarding existing frameworks and models that have been proposed so far in relation to performance measurement. The research is based on data has been collected through a literature review to create a solid theoretical basis for the different models and frameworks for managing performance. Findings from this research study will be considered supporting people to decide on the approach or balance of approaches that would best suit their organisation and circumstances. The paper is structured as follows. The research findings of the critical literature review are summarise in a framework for comparing these

alternative approaches which fulfils the identified lacks and strengths focus on their application to sales organisations. Finally, in the last section, conclusions for future research are provided.

Models and frameworks for performance measurement.

It is interesting to conduct a literature review regarding existing frameworks and models that have been proposed so far in relation to performance measurement. Keegan et al. (1989) outline three distinct steps for the for performance measurement system design. 'Defining the strategic objectives of the firm and how they can be translated into divisional goals and individual management actions; deciding what to measure; instilling the performance measurement system into management thinking, possibly through the budgeting process.'

The more widely used models and frameworks for performance measurement have been reviewed below in alphabetical order.

Balanced Scorecard Framework

A method widely utilised in various organisational settings is the Balanced Scorecard (BSC) approach (Kaplan & Norton, 1992). Introduced by Robert S. Kaplan and David P. Norton in 1992, balanced scorecards have found widespread adoption in Fortune 1000 companies. Rohm & Halbach (2005) state that 'building and implementing a scorecard system is more about changing hearts and minds and sustaining new directions, than it is about selecting performance measures and buying Balanced Scorecard software.'

The Balanced Scorecard is a holistic model that can be used at various levels across the organisation, service, team or group. It aims to enable organisations to manage strategy by linking corporate objectives, initiatives, measures and targets at all levels in the organisation. It is often viewed as an attempt to translate strategy in to action and it proposes measuring enterprise performance under four different perspectives, as shown in figure 1.

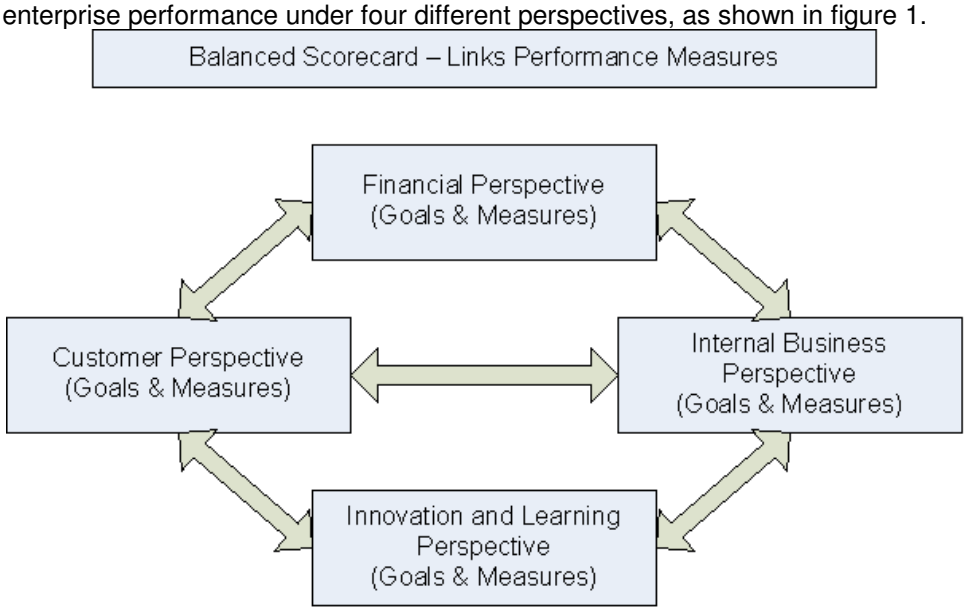

Figure 1: Balanced Scorecard Perspectives (from Kaplan & Norton, 1992)

The Financial Perspective links the financial objectives to the corporate strategy of an organisation. The Customer Perspective examines aspects related to customers' perceptions.The Innovation and Learning Perspective on the Balanced Scorecard expands objectives and measures related to organisational learning and growth with respect to employees, systems and organisational alignment. The Internal Business Perspective focuses on all actions and key processes necessary for delivering the value expected by the customers in a productive and efficient way and in doing so to prioritize research, design and development processes and examine important operations process measures as cost, quality, time, and performance characteristics.

Originally the Balanced Scorecard prompted users to identify an equal number of measures in each of four perspectives. This demonstrated the need to balance financial and non-financial measures; internal and external measures; leading and lagging measures; and short and long-term measures. Researchers realised that having balance in the number of measures is no longer considered strictly necessary after different implementations and researches development. Schneiderman (2006) argues that balance is actually harmful and that 'good scorecards will be unbalanced'.

Rohm & Halbach (2005) suggest a 'Nine Steps To Success™ balanced scorecard' 'framework as shown in figure 2 for building and implementing a Balanced Scorecard approach.

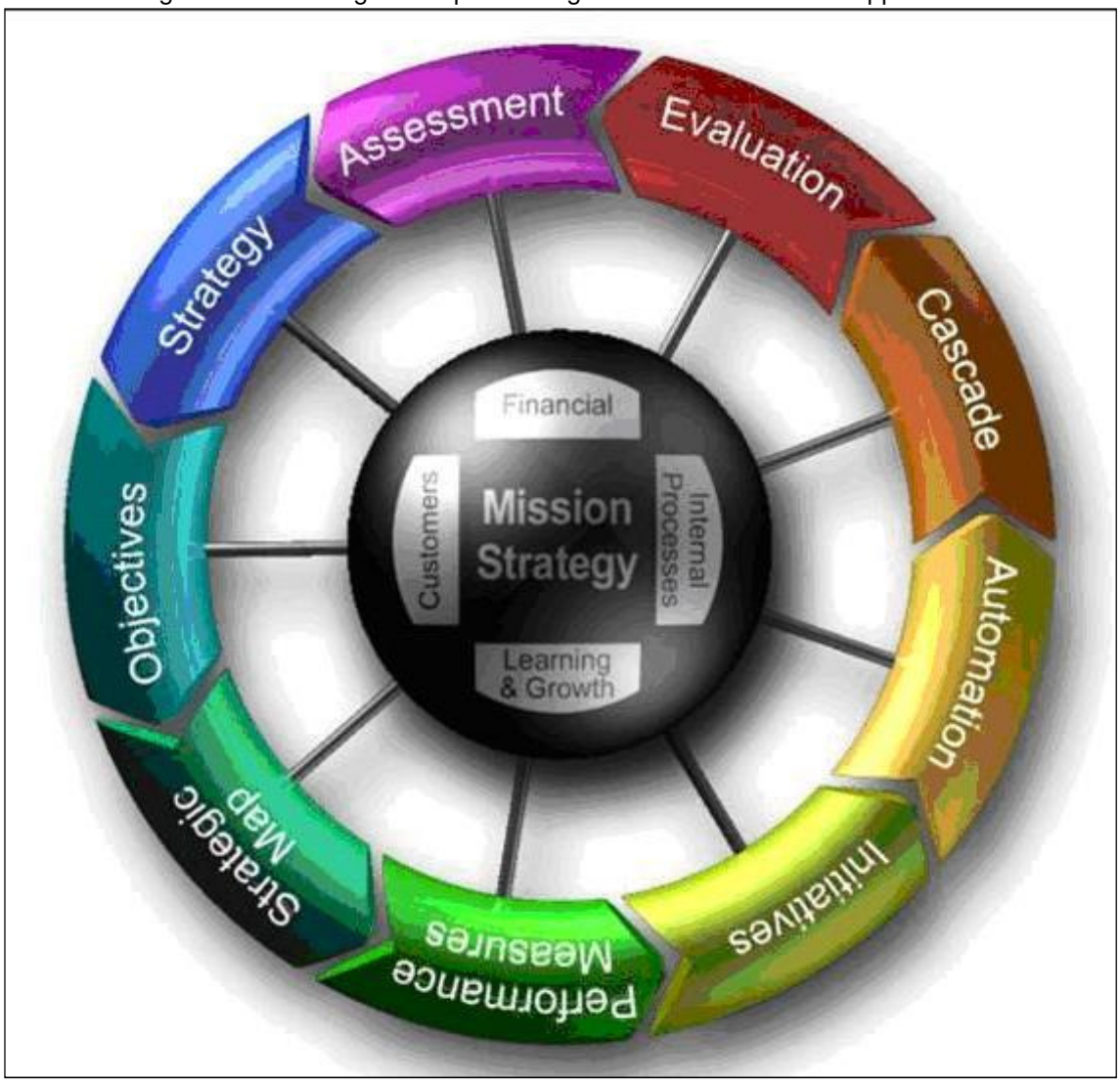

Figure 2: The Balanced Scorecard Institute's 9 step framework (from Rohm & Halbach, 2005)

Step one is an Assessment of the organisation's foundations, its core beliefs, market opportunities, competition, financial position, short and long-term goals, and an understanding of what satisfies customers. Step two is the development of overall Business Strategy. Step three is a decomposition of business strategy into smaller components, called Objectives. In step four, a Strategic Map of the organisation's overall business strategy is created. In Step five, Performance Measures are developed to track both strategic and operational progress. In step six, new Initiatives are identified that need to be funded and implemented to ensure that our strategies are successful. Step seven involves automating the Balanced Scorecard system, and consists of analysing software options and user requirements to make the most cost-effective software choice for today and to meet enterprise performance information requirements in the future. Step eight involves cascading the corporate scorecard throughout the organisation to business and support units, and ultimately to teams and individuals.

Blokdijk (2008) states some of the following main reasons that balanced scorecard may fail. Leadership from the management of the organisation is essential. Management with their commitment and participation of the development of this business approach will motivate employees to their daily tasks and will eventually lead to business success. Communication is another important reason required at every level of an organisation. Training and communication required as the implementation of the balanced scorecard approach likely to mean huge changes in an organisation. Timing is crucial for the development of any business operation. A strategic and timing plan needs to visualise the sequence and order of activities or events that need to happen to create the desired future state.

European Foundation for Quality Management (EFQM) Excellence Model®

The European Foundation for Quality Management Model (EFQM) is widely recognized as a comprehensive organisational development and improvement framework used for evaluating strengths and areas for improvement across the organisation's activities. Self-assessment is considered as one of the most interesting topics for both researchers and companies implementing the EFQM model (Black & Crumley, 1997). Undertaking a self-assessment process against the EFQM Excellence Model provides an objective, systemic measure of an organisation's strengths and areas of improvement, and gives rise to the establishment and implementation of action plans, integrated in business planning (Porter & Tanner, 1996).

The model is divided into two areas, five 'enablers' and four 'results' with a specific criterion weights for each element if an organisation wants to achieve 'Excellence' as shown figure 3.

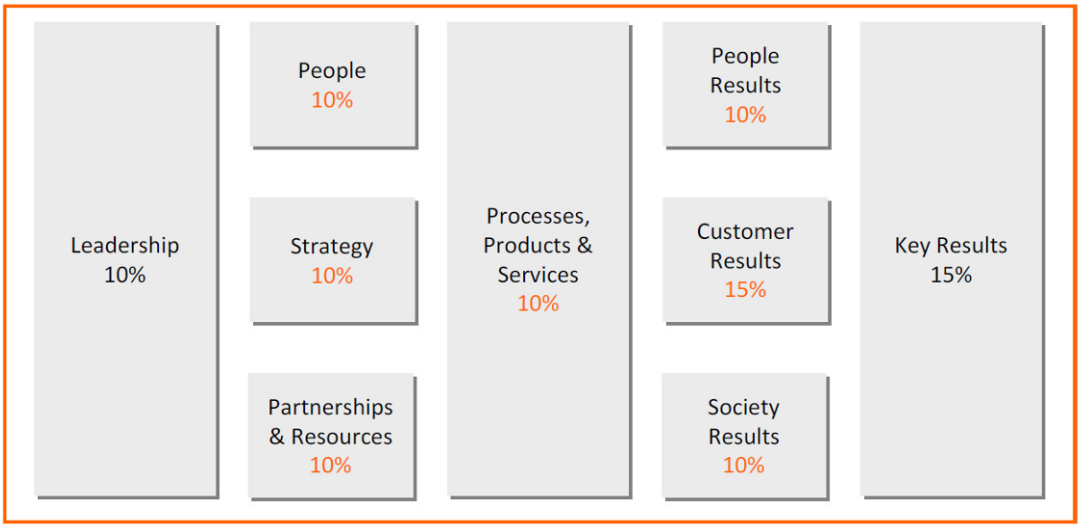

Figure 3: The EFQM Excellence Model 2010 (Gemoets, 2010)

The rationale for the implementation of the model is summarised in Jackson (2001) where it is suggested that 'there is no one best way of implementing the EFQM excellence model into all organisations.' Questionnaires based upon the Model and workshop approach can be used across the organisation on how the nine criteria are being met.

One of the major limitations of the EFQM model is that there is a lack of guidelines for identifying problems that result from organisational weaknesses (Rusjan, 2005). Svensson & Klefsjo (2006) warn that, if the organisation has not reached the necessary maturity level, it is probably a waste of resources to start a comprehensive self-assessment project. Hides et al. (2004) report that the long-term nature of the EFQM Excellence Model makes it unsuitable for 'quick fixes' whilst Karapetrovic & Willborn (2001) link the choice of the self-assessment approach to the level of maturity of an organisation and the intensity of effort invested in the self-assessment. Li & Yang (2003) state that although the current scoring system of the EFQM model has been widely accepted by both academics and practitioners as a sound approach for self-assessment, certain writers are in agreement that organisations have encountered problems applying the model because the scoring criteria are too generally defined.

ISO 9001:2000

The literature reviewed indicated that Quality has focused to extend to all parts of the business. Quality must be an integral part of the way the business is managed and requires very strong, cross-functional leadership at the highest levels in the company (Cobb, 2003). The technique to involve all parts of the business is the Total Quality Management (TQM). An international tool for implementing the TQM is the ISO. Organisations can use ISO as a model in designing their management systems (Hoyle, 2005). ISO 9000 is a family of standards for the development of good management practices via the development of consistently good quality products. It has four basic steps: Say what you do. Do what you say. Record what is done. Improve, based on the results. (Delnista, 1999). An average time to implement the quality management system ISO 9000 series is reported at between 12 to 16 months (Brown et al., 1998). Once a quality system is in place and established the organisation can seek independent assessment by an internationally recognised accreditation body.

ISO 9001 series enhances customer satisfaction by meeting customer requirements with a process-based quality management system as illustrates figure 4. One of the most important sections of this quality management system is the measurement, analysis and improvement. It

demands continuous improvement and the establishment of measurable goals. Schlickman (2003) states 'ISO 9001:2000 requirements are designed to create continual improvement.'

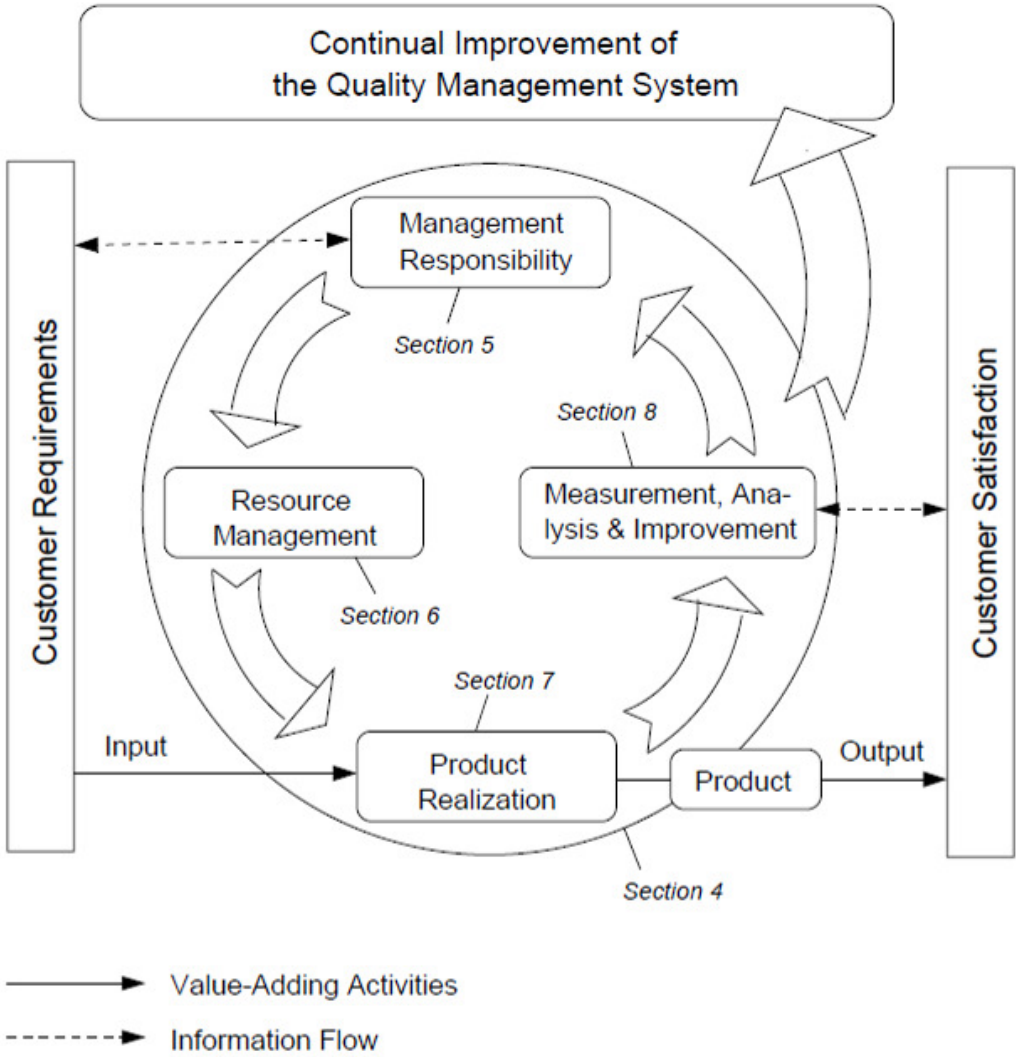

Figure 4: Model of process-based quality management (from Grimes, 2003)

As Tricker & Lucas (2005) documented 'ISO 9001:2000 is flexible enough to fit any sort of organisation'. This flexibility is connected with the loop of the continual improvement. Careful selection of measures and proper collection of data provide a basis for continual process improvement (West & Cianfrani, 2004).

Feng et al. (2007) concluded from their research that ISO 9000 series has a positive and significant effect on operational performance, but a positive weak effect on business performance. It emphasises on the measurement and monitoring of several key performance indicators. There are many barriers in the implementation processes of ISO 9000 standards. According to Quazi & Padibjo (1998) the following main issues are important:

- Lack of top management support and commitment;
- Employee resistance change;
- Lack of understanding of ISO 9000 system;
- Constraints on resources (manpower, time, finance);
- Lack of training and education of employees;
- Unclear benefits of obtaining certification.

Some researchers query on the effectiveness of the ISO 9000 series quality management system. Terziovski et al. (2003) found that ISO 9000 certification did not have a significantly positive relationship with organisational performance. Yeung et al. (2003) revealed that senior executives' incorrect understanding of ISO 9000 and attitudes to the international standards are the main cause of the ineffectiveness of ISO 9000 implementation. Brown & Wiele (1998) found that lack of commitment from employees and managers is the most frequently mentioned problem faced by Small to Medium Enterprises (SMEs) in implementing ISO certification.

The Performance Prism

The Performance Prism is a measurement framework designed to assist performance measurement. It was developed by the Centre for Business Performance at Cranfield School of Management, in conjunction with Accenture company. It developed from the Balanced Scorecard, as a second generation of performance measurement framework which considers the wants and needs of all the organisation's stakeholders. Neely, et al. (2001) described the Performance Prism consists of five interrelated facets as shown figure 5.

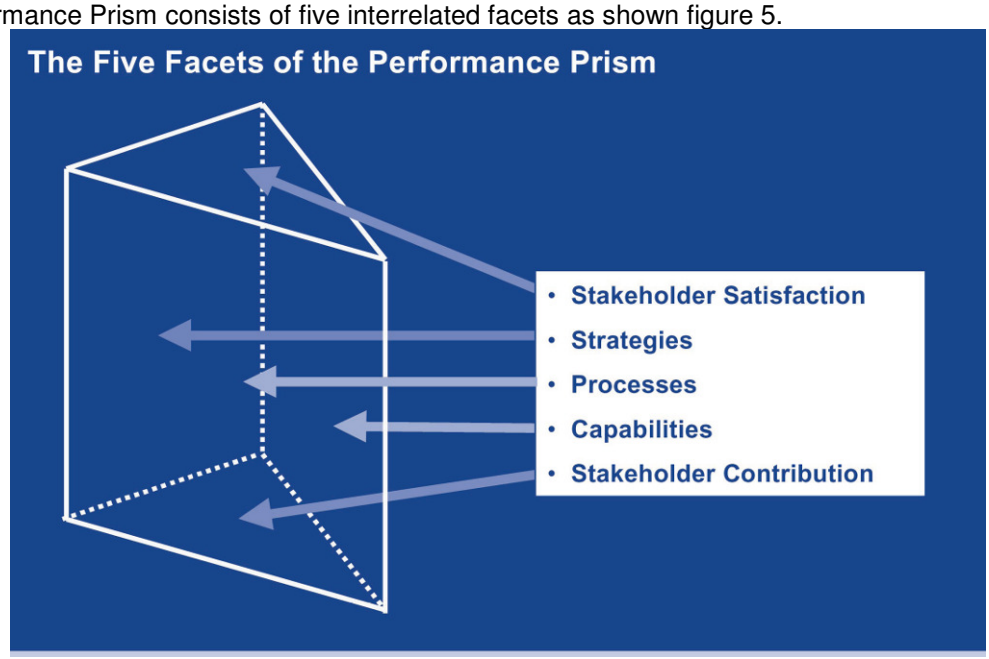

Figure 5: The Five Facets of the Performance Prism (from Neely, et al. 2001)

At the first facet comparing with the balanced scorecard view of stakeholders are included additionally to customers and stakeholders the employees, suppliers, alliance partners or intermediaries, the local community. The second facet concentrates on Strategies. It explored the issue of what strategies should be put in place to ensure the wants and needs of the stakeholders are satisfied. The fourth facet of the Performance Prism, the Capabilities facet are the combination of people, practices, technology and infrastructure that together enable execution of the organisation's business processes.

The fifth and final facet of the Performance Prism is the Stakeholder Contribution facet. This facet organisation has been entering into a relationship with their stakeholders which should involve the stakeholders contributing to the organisation.

The model is used a set of performance measures that help deliver the wants and needs of both the organisation and its key stakeholders using strategy maps identifying the objectives and drivers of performance that are inherent in the organisation's strategy. The maps are usually developed in cross-functional management workshops. The performance prism enables a balanced picture of the business to be provided, significantly highlighting external and internal measures, as well as enabling financial and non-financial measures and measures of efficiency and effectiveness (Neely, 2002). It drills down from strategies to processes and to capabilities; the performance prism achieves a comprehensiveness and wide-angle view that other business performance measurement frameworks lack (Adams & Neely, 2000). However, as Medori & Steeple (2000) state that it is provided little guidance on how the appropriate measures can be identified, introduced and ultimately used to manage the business. Furthermore Performance Prism was recently developed with little experience of using it in different organisations.

Six Sigma

Six Sigma can be considered as a recent quality improvement initiative that has gained popularity and acceptance in many industries across the globe (Jiju, et al. 2005). Six Sigma is named after the process that has six standard deviations on each side of specification window (Chen et al., 2007). Wyper & Harrison (2000) interpreted Six Sigma as a useful management philosophy and problem-solving methodology that is a direct extension of Total Quality Management (TQM).

It is a disciplined methodology with statistical focus for process improvement in the area of customer satisfaction, reducing errors and defects, reducing cycle time. The basic principles of the six-sigma approach, which is ultimately a managerial decision-making tool, include:

- aligning key business processes and customer requirements with the organisation's strategic goals;
- identifying corporate sponsors to champion projects, supporting the team, obtaining necessary resources, and helping organisational members to overcome the resistance to change;
- instituting a standard measurement system to be used throughout the organisation;
- identifying appropriate metrics that focus on business results and accountability;
- providing extensive six-sigma and project management training;
- deploying appropriately trained teams to improve quality and profitability while reducing time and waste;
- setting stretch improvement goals (Evans & Lindsay, 2005)

Six Sigma still has its limitations. News keeps cropping up about the efficacy of the Six Sigma business strategy from its critics, as a management fad – a fashion that sweeps the world with great excitement for a brief period of time, usually less than a year, and then disappears (Swinney, 2005).

Tableau de Bord (France)

Tableau de Bord was developed by process engineers in order to improve the internal processes and control the performance (Epstein & Manazoni, 1998). The Tableau de Bord, meaning 'dashboard' or 'instrument panel', has been an important management control tool used in French enterprises for more than 40 years and is believed to have similar attributes with balance scorecard with the exception that the latter is developed as a strategic tool. Although the majority of the large companies in France were using it, due to the limited availability of translated literature it had a minimal overseas diffusion (Bontis et al., 1999).

The development of the Tableau de Bord involves translating the vision and mission into a set of objectives, from which each unit identifies its Key Success Factors which are translated into series of quantitative Key Performance Indicators (Kanji, 2002). Furthermore, it emphasises to financial measures that often are focus internally inside the organisation rather than externally from customers.

As defined from the translation by De Guerny et al., (1990) a Tableau de Bord has the following primary characteristics:

- 'It is simple and can therefore be 'installed' relatively quickly;
- It concentrates on only a few key items of information, which focus on the specific area of responsibility and issue at hand (that is, only the truly decision-relevant information), and does not attempt to provide answers to all possible questions;
- It primarily provides information about the status of processes in the operational areas (such as Sales or Production), and about the purely financial aspects that are regarded as the results of these operational activities;
- It makes the information quickly available according to the specific demand of a decision maker and also outside the frequency and periodicity of accounting.'

Selecting the appropriate model or framework for measuring business performance for a sales organisation

The objective of the selecting the appropriate model framework will enable the sales organisation quickly and effectively selecting metrics that support sales objectives, strategy and goals. The selected framework or model will support to:

- Expand a deeper understanding of the factors of sales productivity
- Develop a common understanding for monitoring and improving performance
- Recognise sales performance from a variety of perspectives

As Neely et al. (2003) analysed to gain real value from measuring business performance need to address the challenges of the third generation approaches, namely:

- Models or frameworks must reflect the static and dynamic realities of organisations but at the same time not lose appropriateness as a managerial tool;
- We must move from data to information and must provide rigorous information especially for the intangible value drivers in organisations;
- The models must be practical and aligned with other organisational processes in order to allow actions to be taken;
- And most fundamentally of all, we must seek increasingly robust ways of demonstrating the cash flow implications of the non-financial and intangible organisational value drivers.

Performance measurement framework must have practical value, the process of populating the framework has to be understood in detailed. Neely, et al. (2000) finalised, as shown figure 6, into four interlinked themes of measurement system design, implementation, use and ongoing management, and the people, processes, infrastructure and culture issues associated with them.

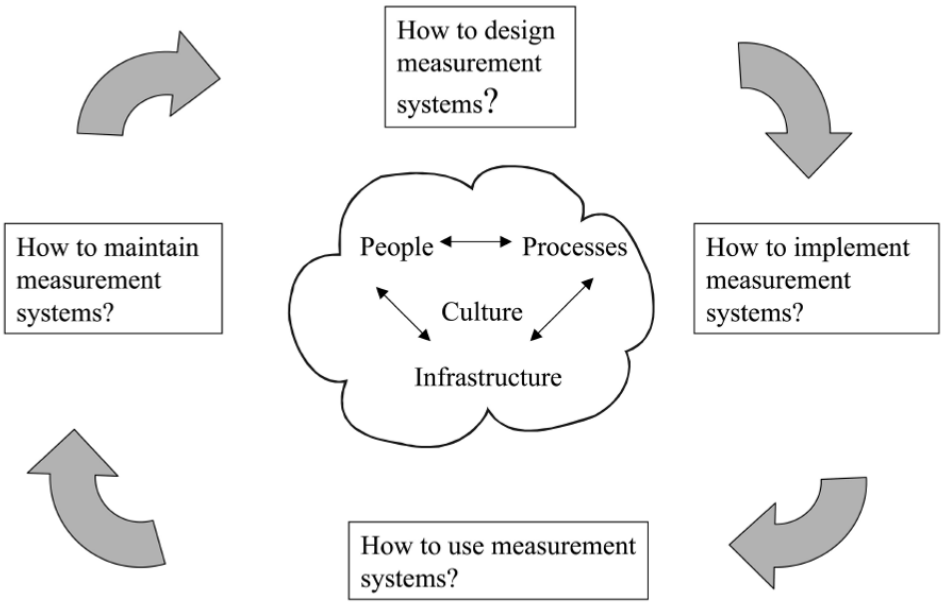

Figure 6: Measuring business performance: emerging research themes (from Neely, et al. 2000)

The starting point for any selection process has to be the recognition that the different models and frameworks for measuring business performance each have different strengths and weaknesses. The criteria for selecting the appropriate model or framework focus on the align daily work to the organisation's strategic objectives, provide a structured approach to strategic management, establish winning performance indicators, support internal and external communication, sustain customer satisfaction at all times and finally identify strengths and areas for improvement

A framework to support the selection of the appropriate model or framework has been developed based on existing literature and the functions and elements of a sales organisation. The following assessment criteria were used asking specific questions for every different model or framework:

- Scope: What is the aiming to change and improve? What outcome are the organisation looking for? Does the improvement need to be holistic covering all the organisations activities or designed for a specific task, service or area of activity?
- Time: What is the timescale for the change?
- Resources: What resources are available or are needed?
- Staff involvement: To what extent do you want to involve staff in the changes?
- Flexibility: Does the performance measurement system remains integrated, efficient and effective at all times?

Organisations need to undertake research to decide on the approach or balance of approaches that would best suit their organisation and circumstances. It is unlikely that a single approach would address all their needs maybe will be needed to extent it to fulfil the most important criteria of efficient and cost-effective monitoring and measurement of business performance.

Addressing these criteria for every different model or framework as present in Table 1 allows organisations to develop their awareness and understanding of selecting the appropriate model of framework for measuring business performance in an organisation.

Performance Models	Scope	Time	Resources	Staff involvement	Flexibility
Balanced Scorecard Framework	Holistic model that can be used at various levels across the organisation.	Four to six months to implementation depending on level of measurement in place	Low resource investment – often just facilitation costs and staff time.	Inclusive if scorecards are cascaded and widely deployed	It integrates different classes of organisational performance – financial and non-financial, internal and external.
European Foundation for Quality Management (EFQM) Excellence Model®	Holistic self assessment model	Approximately six weeks	Essential external expert support	Fully inclusive. Workshops approach can be used across the organisation	Long-term nature of the EFQM link flexibility to the level of maturity
ISO 9001:2000	Tool for implementing the TQM	Implementation six to nine months	Internal expert is essential. External auditor organisation is vital to be used.	Inclusive of staff in the areas of activity being improved.	Connected with the loop of the continual improvement.
Performance Prism	Focus to analyse stakeholders needs	Up to approx. six months	Several management workshops are necessary	Considers the wants and needs of all the organisation's stakeholders.	It achieves a comprehensiveness and wide-angle view
Six Sigma	Statistical focus for process improvement	it will normally take three to nine months	Consultancy requirement	Focuses on making improvements in the area of customer satisfaction	Dynamic operational capabilities with consultancy support
Tableau de Bord	Translating the vision and mission into a set of objectives	It is simple and can therefore be 'installed' relatively quickly.	Low resource investment	Support management to share responsibilities	It primarily provides information about the operational areas less about the purely financial aspects

Table 1: Selecting an appropriate model or tool for measuring business performance

Discussion and conclusions

This report reviews the extensive literature relating to organisational performance management and presents a suggested framework to evaluate the most suitable model or framework for a sales organisation. As shown from this literature analysis there is no single model or process for developing performance objectives and measures, nor is there a process that will guarantee good results. It has been attempted to synthesize this models and frameworks with the aim to produce the most suitable conceptual framework for the size, kind, and available resources. Additional it must be taken in consideration also the culture and the existing tools that are already have been used by the organisation for measuring and manage business performance.
However there are clear arguments which are provided from these models and frameworks. These can be summarised as:

- Performance management should be integrated and involved all the key stakeholders across the organisation. It should mirror the objectives linking with the strategies of the organisation to the execution of activities which will enable their achievement.

- Processes and tools should be considered to extract and communicate insights rather than performance data. With meetings and trainings can be created a learning and improvement performance culture reinforce each other on a sustainable basis.
- The measurement systems to develop successfully there are key capabilities and responsibilities that an organisation must have in place. An effectively measurement system must be evaluate with the time, effort and finally with implementation and running costs.

It clears that for measurements systems to evolve effectively there are key resources which must have in place. Furthermore as de Waal, A. (2002) state that performance is an outcome of both organisational and human activities. It is important the selected performance management system to engage an appropriate culture to the organisation's employees and should reflect the requirements of all of the key stakeholders of the organisation and not just reflect a limited set.

Additional, a performance measurement system should be a dynamic system and must include information from the wider environment. It is recognized by the above literature review that the external and internal environment of an organisation is constantly changing.

Although recommendations and conceptual frameworks for performance measurement system design have been systematically defined, few are the contributions on how to transform them to a development process. Therefore there is still a need to expand a step-by-step method for implementing a comprehensive, integrated performance measurement system.

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Appendix 13: Paper 2 Enhancing Sales Performance through E-Learning Platforms

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ENHANCING SALES PERFORMANCE THROUGH E-LEARNING PLATFORMS

A Case Study in Mercedes Benz Cyprus

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Keywords: Sales performance, information systems, e-learning, Internet

Abstract: This paper is a case study that outlines e-learning as imperative for a company and that information and communication technologies may enable an organisation to strengthen its sales performance and develop its internal business processes. Towards this aim, the case study described in this paper focuses on two objectives: to review on existing theory on the subject of e-learning for organisational proposes and sales performance and to combine primary and secondary research results towards to solicit how e-learning platforms enhances sales performance.

1. INTRODUCTION

This paper is a case study that outlines e-learning as imperative for a company and that information and communication technologies may enable an organisation to strengthen its sales performance and develop its internal business processes. The case study described in this paper focuses on two objectives: to review on existing theory on the subject of e-learning for organisational proposes enchasing sales performance and to combine primary and secondary research results towards to solicit how e-learning platforms enhances sales performance. The value of the research relates primarily to its knowledge contribution to the wider field of supporting sales performance.

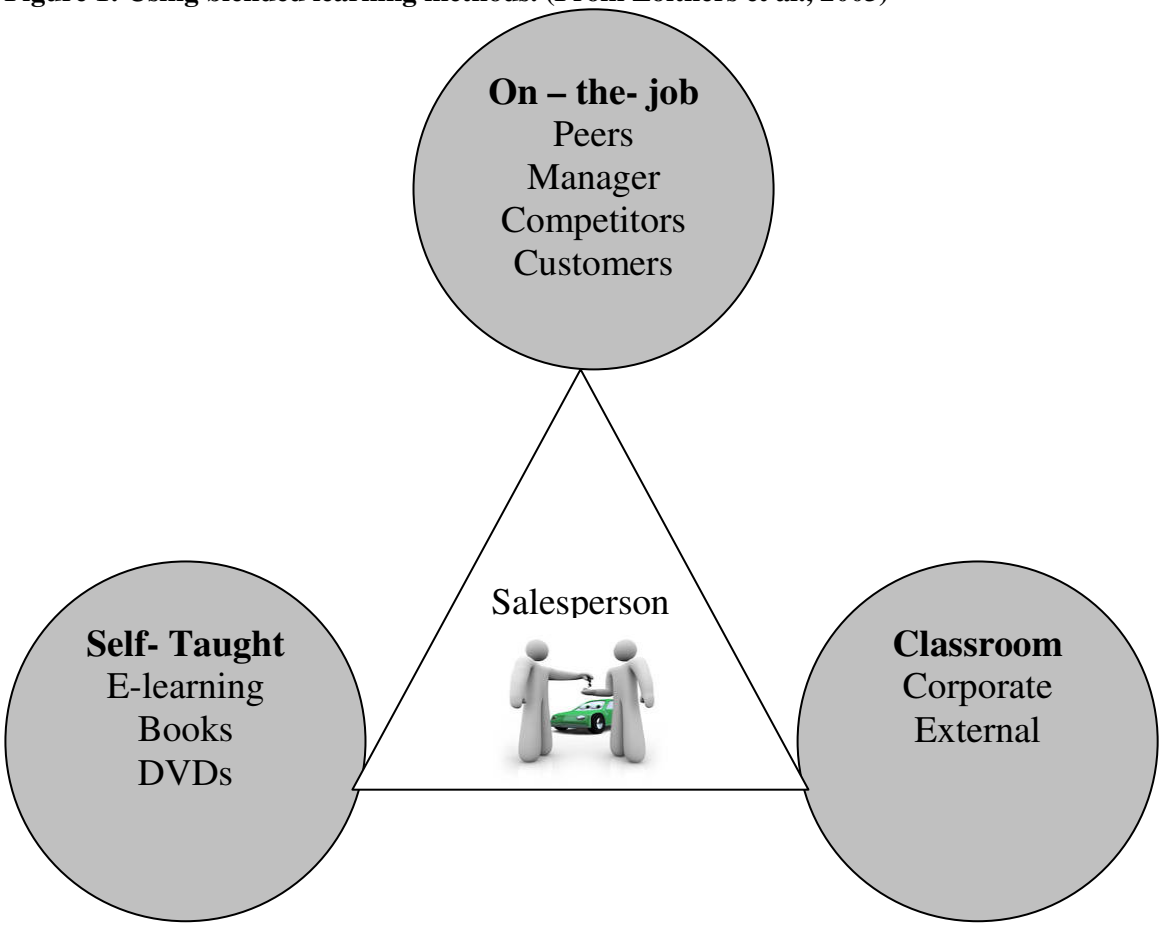
The research is based on both secondary and primary data. Secondary data has been collected through a literature review to create a solid theoretical basis used for e-learning for organisational purposes in relation with sales performance. Primary data have also been employed from a focus group studying in the sales and marketing department of Mercedes – Benz Cyprus. A draft version of the focus group framework was pilot-tested by 8 business representatives; minor problems were identified and addressed in the final version. Findings from this case study were used for the investigation of recognition that integrating technology

with training will become a management challenge in the future enhancing sales performance in a dynamic, interactive and measurable way.
The remaining of this paper is structured as follows:
Section 2 presents a brief literature review on e-learning supporting sales performance. Based on the literature review, aspects and questions that needed to be addressed related to the e-learning with sales performance were identified.
Section 3 outlines the research findings of the focus group discussion and presents the feedback of the user's, while section 4 concludes this paper.

2. E-LEARNING FOR ENHANCING SALES PERFORMANCE

Enterprises offering extended trainings are able to operate in a dynamic environment, more so today than ever before. The digital revolution has placed great emphasis on innovation, new business models, new ways of organizing work as well as having a significant impact on the learning industry (Schertler & Dierich, 2001; Piccoli et al., 2001). E-learning is defined as the creation and distribution of organisational knowledge through the online delivery of information, communication, education, and training (Wild et al., 2002) which opens the door to a learning revolution that could help sales performance of an organisation. Zhang & Nunamaker (2003) state that 'electronic learning, or e-learning as it is commonly called, is defined as learning that takes place anytime someone uses electronic means for gathering information that is acquired without another live person present'. Henry (2001) explains that 'the total e-learning solution comprises the integration of three elements: content, technology and services'. E-learning allows organisations to deliver training consistently to all employees; to update training content when necessary; to reduce travel costs to outside training facilities; and to provide training to employees on demand, anytime, and anywhere (Burgess & Russell, 2003).
An important factor for the growth in the online learning is due to the fact it is reducing training costs. Furthermore e-learning in organisations allow staff to make sense of learning in their own way, and in their own time, reducing the time it takes to identify new opportunities or competitive threats and finally improving capacity for innovation and decision-making. Sales training in the e-learning world is focused on providing continuous knowledge transfer and content acquisition to support performance of individual sales professionals. Continuously learning new skills is critical allowing sales representative to adapt to changing markets and requirements.
As Zoltners et al. (2003) outline in figure 1 the learning and development in the sales organisations takes place using blended learning methods.

Figure 1: Using blended learning methods. (From Zoltners et al., 2003)



Blended learning methods capture the strengths of both e-learning and classroom learning (Voci & Young, 2001). Singh & Reed (2001) define blended e-learning as a learning experience that combines off-line and on-line forms of learning whereby on-line learning means 'over the Internet' and offline learning occurs in a traditional classroom setting. Williams (2003) has identified that blended training is growing in popularity with the shift from traditional teaching to e-learning.

Recent studies have shown that e-learning has many advantages (e.g. access to education and training, cost reduction, self-directed learning, self-reflection, learning etc.; (Sacchanand & Jaroenpuntaruk, 2006; Zhao, 2003). Unilever estimated the increase in product sales as a result of its online training for sales employees; the company found that sales increased by several millions of dollars after e-learning (Hoekstra, 2001). E-learning saves time, produces measurable results and are more cost effective than traditional learning because less time and money is spent in traveling. It has the advantage of taking class anytime anywhere. Information is available when and where it is needed. It can be done at the office, at home 24 hours a day, and seven days a week. E-learning is more focused on the learner and it is more interesting for the learner because it is information that they want to learn. It is flexible and can be customized to meet the individual needs of the learners.

But there are limitations such as the lack of computer knowledge, the digital divide and lack of human contact (Vishwanatham et al., 1997). E-learners need to be very comfortable using a computer. Slow Internet connections or older computers may make accessing course materials difficult. This may cause the learners to get frustrated and give up. E-learning also requires just as much time for attending class and completing assignments as any traditional classroom course. This means that sales rep have to be highly motivated and responsible because all the work they do is on their own. Learners with low motivation or bad study habits may fall behind.

As noted by Van Dam (2001) 'e-learning solutions cannot currently duplicate all the features of traditional teaching. The critical factor therefore is that they supplement each other's strengths and meet the needs of the student group.' Major corporations have implemented e-learning

widely, but there is now recognition that success requires more than just installing e-learning software and programs. It requires focusing away from the technology and onto the learner (Beamish et al., 2002). There are situations where classroom training with a qualified instructor is most appropriate, there are also situations where online training works better, and there are times when a prudent combination of both approaches is the best. Furthermore, as Werner (2003) outlines, it is essential to 'develop an e-learning strategy that ties in with the overall business strategy'.

Khan (2001) suggests a very useful theoretical octagonal framework, figure 2, for providing answers to what meaningful blended learning is and thus to the effective e-learning. According to this framework there are eight interrelated and interdependent dimensions that need to be addressed in order to create meaningful online learning experiences.

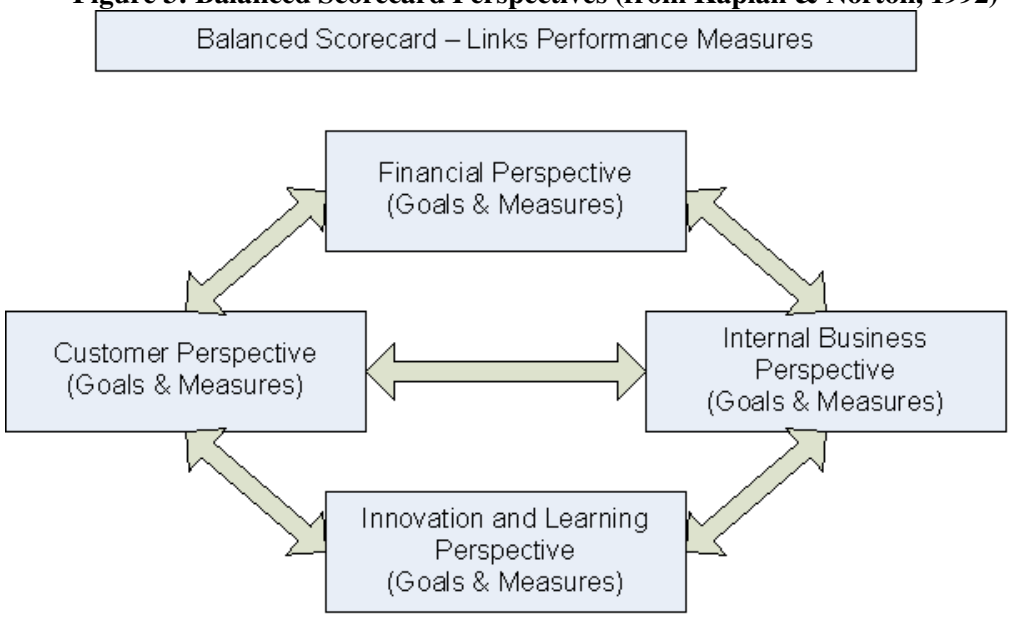
Figure 2: Khan's octagon e-learning framework. (From Khan, 2001)

Finding ways to keep learners engaged is a challenging problem for developing e-learning programmes. As Skipper (2000) describes 'lack of engagement has been shown to be one of the primary reasons why learners drop out of distance learning courses'. As a result, organisations are now focusing their efforts on ways to increase the motivation and involvement of learners in e-learning programs. Allen et al. (2002) found that 'increasing the number of advanced multimedia components within a distance education program significantly decreased learner satisfaction with e-learning. A stronger focus on the learner rather than on the technology in e-learning research and practice lead to the development of more effective e-learning programs. Oberski et al. (2000) found that is was difficult to keep the participation in online learning environments at a reasonable level, due to continuous work pressure and competitive priorities. This result argues for the importance of more attention for informal-learning processes in organisations aimed at learning around problems that really matter. Furthermore some people have a fear of technology and as a result are not attracted to e-learning (Roffe, 2004). The lack of exposure to technology may scare away some learners without even first trying to attempt it.

As Scholl (2007) describes, 'it is human nature to work harder for a 'prize' waiting at the finish line. Just as adults learn differently, reinforcements for learning also need to vary'. Leaders must understand the advantages that e-learning can bring to their business and that it can be integrated effectively into corporate strategic planning objectives. It is essential to prepare a business plan for developing e-learning trainings in an organisation. As Bersin (2002) states, 'the ultimate purpose of e-learning is not to reduce the cost of training, but to improve the way that an organisation does business'.

A measurement performance method widely utilized in various organisational settings is the Balanced Scorecard (BSC) approach (Kaplan & Norton, 1992). The Balanced Scorecard approach is often viewed as an attempt to translate strategy into action and it's propose is to measure enterprise performance under four different perspectives, as shown in Figure 3.

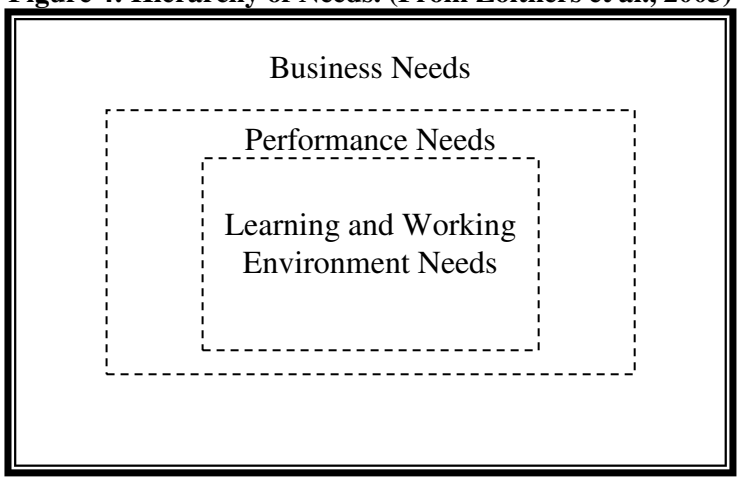
Figure 3: Balanced Scorecard Perspectives (from Kaplan & Norton, 1992)



The Financial Perspective links the financial objectives to the corporate strategy of an organisation. The Customer Perspective examines aspects related to customers' perceptions, that is, how an organisation's mission and strategy is translated into specific objectives about targeted customers and market segments. The Innovation and Learning Perspective on the Balanced Scorecard expands objectives and measures related to organisational learning and growth with respect to employees, systems and organisational alignment. The Internal Business Perspective focuses on all actions and key processes necessary for delivering the value expected by the customers in a productive and efficient way and in doing so to prioritize research, design and development processes and examine important operations process measures as cost, quality, time, and performance characteristics.

Following the conceptual framework of performance focus improvement from (Robinson & Robinson, 1998), as shown figure 4, to achieve business needs it is essential to focus also on learning needs. E-learning offers to the part of learning needs less time and effort for training but is necessary that people in the organisation make fundamental changes in the way they create, deliver and think about training.

Figure 4: Hierarchy of Needs. (From Zoltners et al., 2003)



As Bersin (2002) states that 'e-learning is a business performance improvement tool, not a training tool. Effective e-learning drives you toward measurable business goals: increasing product revenue ramp rate, reducing turnover, reducing rework, or increasing customer satisfaction ratings'.

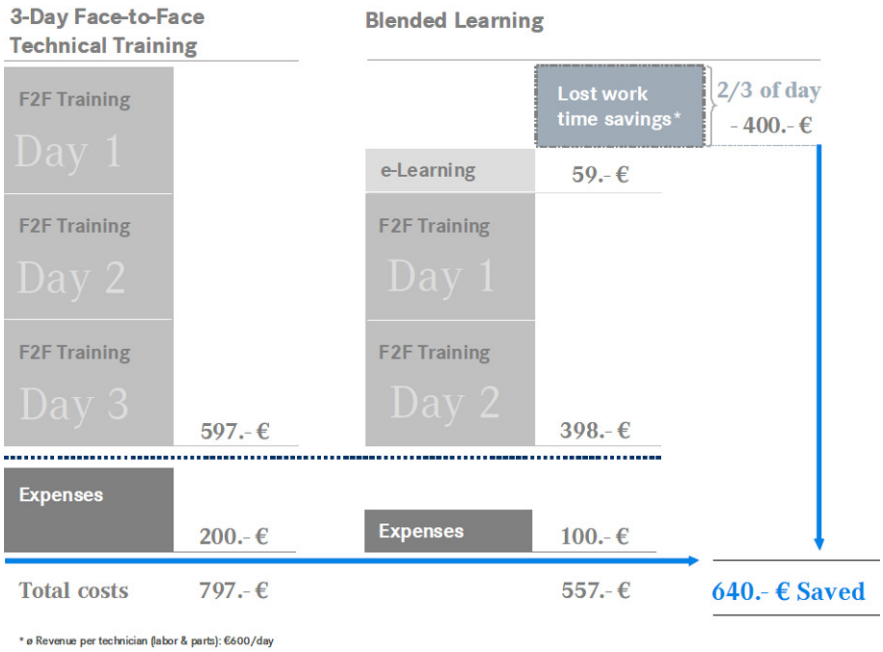
McIntosh (2006) outlines that the success of an e-learning initiative depends both on the people and on the culture of the organisation. It is a significant change event and needs support from

the management level. It also needs a person in charge for the development of e-learning project who will do the work and see it through to success.
There are many reasons for e-learning failures. It takes leadership, accountability, communications and commitment (Cross et al., 2002).

3. USING E-LEARNING FOR ENHANCING SALES PERFORMANCE: CASE STUDY MERCEDES-BENZ CYPRUS

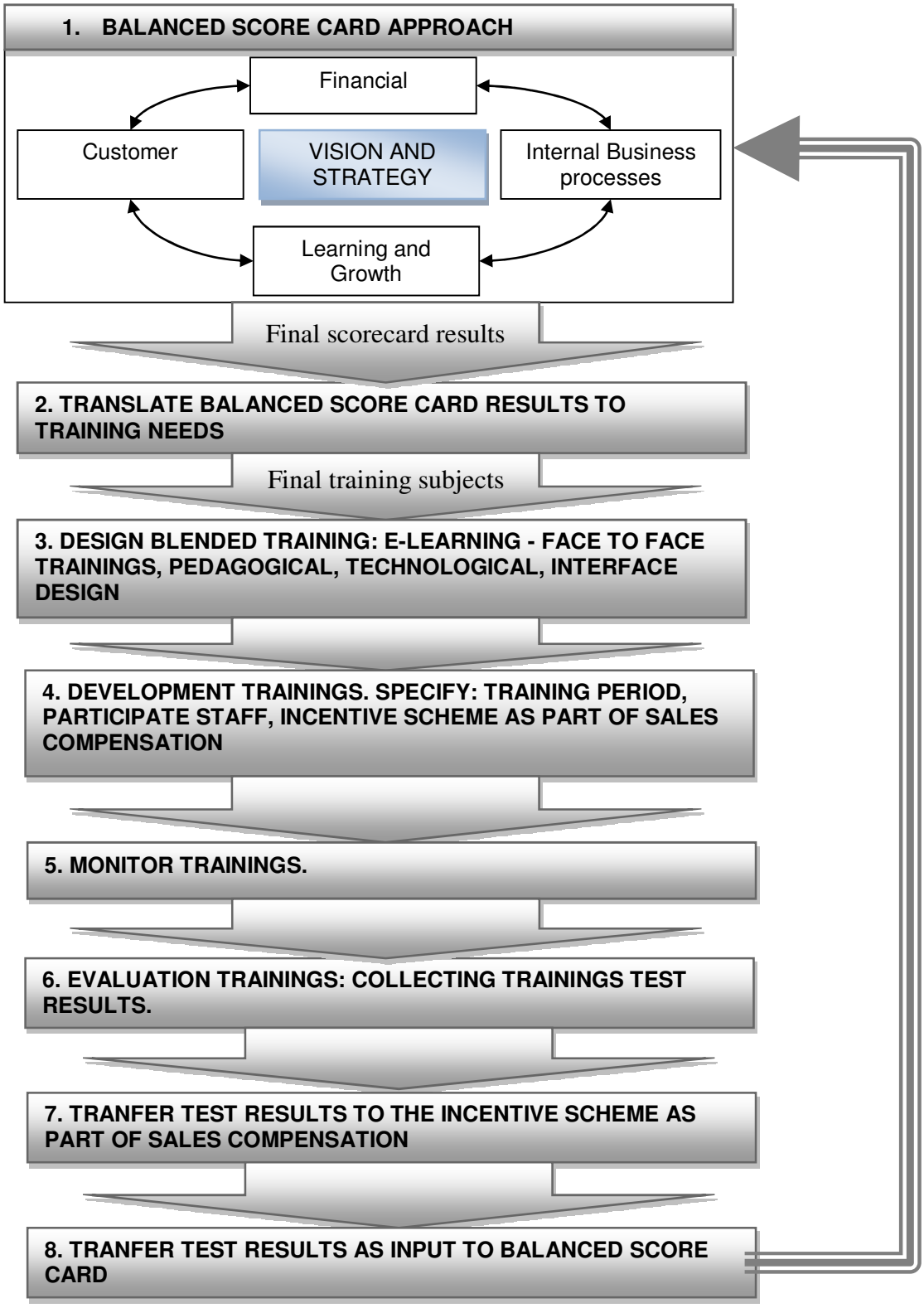
Mercedes-Benz Cyprus (CIC ltd) is the sole distributor of Mercedes-Benz cars in the Republic of Cyprus. Cyprus is a Eurasian Island in the eastern Mediterranean Sea. The Republic of Cyprus is a member of the European Union since May 1st 2004 and has adopted the Euro as its national currency since January 2008. The population residing within the geographical boundaries controlled by the Republic of Cyprus amounts is estimated at 796, 9 thousands at the end of 2008 according to the latest official population census of 2008 (Cyprus Statistics Department, 2009). According to the latest IMF estimates, its per capita GDP (adjusted for purchasing power) is, at $46,865, the third highest in the European Union.
The CYPRUS IMPORT CORPORATION LTD (name in short CIC Ltd or plain CIC), was established in 1951 and commenced operations as a general trading company. In 1955 it was appointed as the Sole General Distributor in Cyprus for all Mercedes-Benz vehicles at a time when this prestigious brand had no presence whatsoever on the Island. It's right marketing approach and best possible after sales service on behalf of CIC took only a few years to establish Mercedes-Benz as the peoples' choice in Cyprus. The CIC Group currently operates out of 12 different premises in the 4 major towns of Cyprus and employs over 280 people.
In this spirit CIC moves into the future in alliance with our principals Daimler AG. Unaffected by the passing years, through a multitude of adversities but always relying on its people for support, CIC has succeeded in guarding the image of the Mercedes Star in Cyprus.
As described Mercedes (2010) 'training at Daimler AG is almost as old as the automobile itself. When Carl Benz and Gottlieb Daimler invented the automobile independently from one another in 1888, they created something that was new and revolutionary. The board of management of Daimler AG made it clear that training was a top priority, at the end of 2009, the group had 9,151 trainees.'
Mercedes-Benz is among the top-selling luxury brands in Cyprus, and market position continues to grow, with 8% for 2009, as one of the highest in Europe. Along with sales growth, the automobile technology systems continue to advance and are now considered among the most sophisticated in the world. The rapid growth, complex systems and highest degree of customer satisfaction put strains training capacity. Taking advantage of the Web, e-learning programs are providing enhanced customer satisfaction and substantial cost savings in terms of travel, salaries, and lost technician productivity.
The researcher come from the School of Business at a private University and a private company in the ICT sector with experience in e-learning and business performance. The main motivation for this research is the alignment of academic interests with a concern voiced by the business community over colloquial fora; this need has also been formally verified through the conducted focus group.
To identify users' requirements for the proposed search framework, a group-focus discussion among potential users from the sales & marketing of Mercedes – Benz Cyprus has been conducted in the first trimester of 2010. First, a draft version of the framework was pilot-tested among 8 representatives of the hosted organisation. Minor problems were identified and addressed in the finalized version of the framework. This study has focused on the framework that enhancing sales performance issues in organisations through e-learning. Through the focus - group, three major clusters of activities have been identified as major contributing factors to improved sales performance in the service sector through e-learning. These include activities related to management of personnel, managing of training activities, managing the financial flows.
Blended learning trainings enable users to have efficient and consistent training with the following benefits:

Cost reduction: Quicker access to new knowledge. Less travel means and less lost work time costs.
Anytime learning: Training material is available whenever want it 24 hours a day, 365 days a year.
Anywhere learning: Staff can learn where they live or work. They have continuous access to training materials.
Efficient learning: Gain new qualifications in an efficient, targeted and rapid manner. It offers learning evaluation through specific tests.
Figure 4 compares a 3-Day Face-to-Face Training with a Blended Learning. Reduce training costs to 640 € per person and lost work time saving 1 day.
Figure 5: Reduce training costs - Minimize lost work time (from Daimler A.G. Global training Department, 2010)



The organisation operates a policy of continual process improvement. Using as performance management tool the balanced score card approach, continuously seeks to improve the effectiveness and efficiency. The data input into this activity is from data acquired through financial audits, internal quality audits, nonconformities, staff suggestions, IT requirements and results from Customer Satisfaction Index.
Based on feedback received, a framework for e-learning development was proposed. It was based on a combination of the balanced score card approach with the Khan's octagon e-learning framework. Figure 6 outlines this framework. It consists of several integrated modules that address the identified aspects of business needs.

Figure 6: E-learning development framework for the sales & marketing department in Mercedes-Benz Cyprus.



4. CONCLUSIVE REMARKS

This paper reports on a case study that outlines a conceptual framework of e-learning as imperative for a company and that information and communication technologies may enable an organisation to strengthen its sales performance and develop its internal business processes. Towards this aim, two objectives were fulfilled: to review existing theory on the subject of e-learning for organisational proposes enchasing sales performance; and to combine primary and secondary research results towards designing and developing a framework for e-learning development of an organisation. The value of the research relates primarily to its knowledge contribution to the wider field of e-learning and business performance.

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Appendix 14: Paper 3 Performance Management And Control, *A Case Study In Mercedes Benz Cyprus*

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PERFORMANCE MANAGEMENT AND CONTROL

A Case Study in Mercedes Benz Cyprus

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Keywords: Performance management, information systems, extended products.

Abstract: This paper is a case study that outlines design and implementation issues related to an application that facilitates process management and controls business performance issues in a retailer of extended products.

The notion of an extended product is that of a product bundled with services. Towards this aim, the case study described in this paper focuses on three objectives: to review on existing theory on the subject of designing and developing applications and interfaces for enterprise information systems, to solicit endusers'

REQUIREMENTS BASED ON WHICH AN INFORMATION SYSTEM IS DESIGNED AND DEVELOPED.

1. INTRODUCTION

This paper is a case study that outlines design and implementation issues related to an application that facilitates process management and controls business performance issues in an enterprise that sells extended products. The notion of an extended product is that of a product bundled with services. Towards this aim, the case study described in this paper focuses three objectives have been set: to review existing theory on the subject of designing and developing applications and interfaces in enterprises; to identify the target users' requirements for the design and development of such applications; and to combine primary and secondary research results towards design and development of a quality management system. The value of the research relates primarily to its knowledge contribution to the wider field of designing and developing applications and interfaces for enterprises retailing extended products.

The research is based on both secondary and primary data. Secondary data has been collected through a literature review to create a solid theoretical basis used for the design and the development of interfaces for service-oriented enterprises. Primary data have also been employed from a focus group studying the information system in the sales and marketing department of the Mercedes – Benz Cyprus. A draft version of the focus group framework was pilot-tested by 8 business representatives; minor problems were identified and addressed in the final version. Each framework appraises desired interface, relevance, form and other technical elements related to the described system. Findings from this case study were used for the initial design and development of the various subsystems of this application.

The remaining of this paper is structured as follows. Section 2 presents a brief literature review on information systems that monitor and control performance issues in enterprises. Based on the literature review, aspects that needed to be addressed during the users' requirements solicitation were identified and questions relevant to the design and the development of the specific system were formulated. Section 3 outlines the research findings of the focus group discussion and presents the design and development of the interface and the quality management application, while section 4 concludes this paper.

2. INFORMATION SYSTEMS FOR MONITORING AND CONTROLING PERFORMANCE

Enterprises offering extended products are enforced to operate in a dynamic environment, more so today than ever before. Therefore, agility in the support of business processes and decision making is a major requirement. At large, research examining the adaptive and agile enterprise (Campbell 1998; Davenport 1998; Goranson 1999; Haeckel 1999) outlines the need for an architectural revolution that impedes agility, so that business processes are integrated, integrated outputs are composed and better and faster management is facilitated. Currently, two paradigms of Information Systems support operational agility, namely dashboard applications and systems that rely on Service Oriented Architecture (SOA).

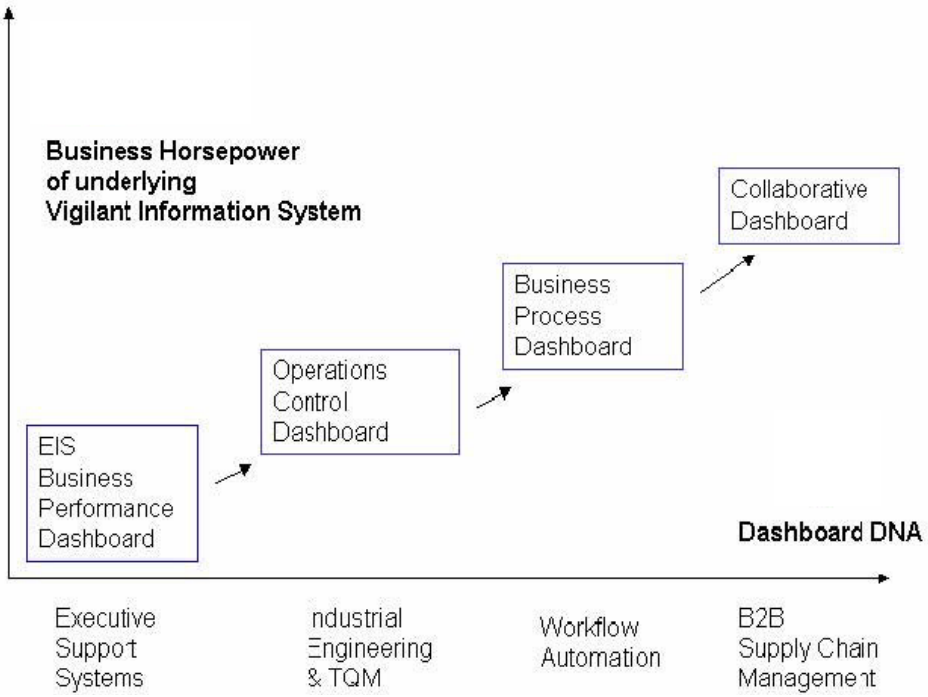

Figure 1: Dashboard Types (Adapted from Houghton et al. (2004))

Research on dashboard applications (Gray and El Sawy, 2004; Houghton et al., 2004; Pankaj et al., 2006; Nichols et al., 2009) examines how operational requirements are aligned with the design and development of such system. Depending on the underlying technological infrastructure and the specific organisational requirements four types of dashboard applications may be distinguished as shown in Figure 1.

EIS business performance dashboards are derived from conventional executive support systems. Operations control dashboards focus on the operational performance of a specific group of users within an organisation. Business process dashboards monitor the performance of enterprise-wide transactions. Collaborative dashboards are taking under consideration the workflow requirements of transactions and enable participatory actions in an attempt to facilitate its execution. In (Nichols et al., 2009), a theoretical foundation for dashboard creation and

implementation has been proposed to formalize the role of dashboards in service oriented organisations.

Research on SOA has examined how cross-organisational and inter-organisational business processes may be twined to result into a Service Oriented Enterprise (Brown and Carpenter 2004; Goul Demirkan Nichols). In the SOA paradigm, standardized invocation interfaces for components are mapped to a spectrum of organisational resources including human resources, ICT services, infrastructure etc. Furthermore, the mapping of resources to a specific service in itself is not considered static anymore, because there may be multiple resources capable of performing the required service. Under this conceptualisation, resources are no longer constrained to operate within the boundaries of a static organisational structure but are dynamically orchestrated to support the process that invokes them (Demirkan Kauffman Vayghan Fill Karagiannis and Maglio 2009). Figure 2 depicts the generic SOA architecture as outlined in (Erl 2004) and conceptualized more generically in Demirkan and Goul (2006).

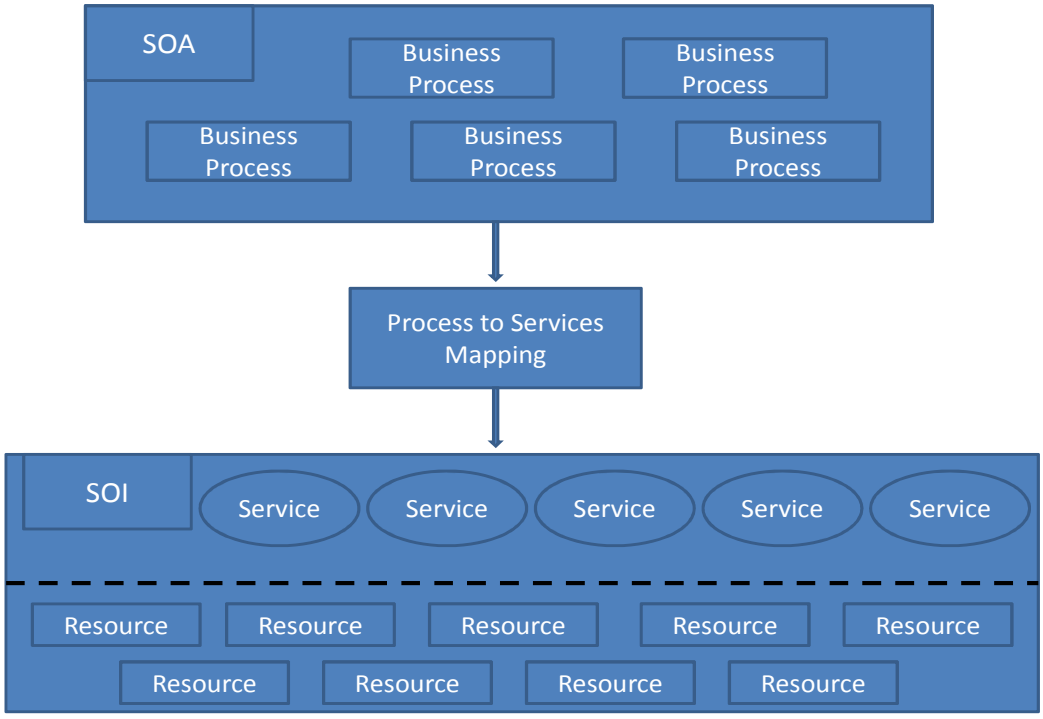

Figure 2: SOA Architecture

In our paper, we contribute towards the formation of a methodology for the design and implementation of a quality management application for retailers of extended products. The approach followed is outlined in section 3.

3. PERFORMANCE MONOTORING AND CONTROLING SYSTEM FOR EXTENDED PRODUCTS: CASE STUDY MERCENDES-BENZ CYPRUS

Mercedes-Benz Cyprus is the sole distributor of Mercedes-Benz cars in the Republic of Cyprus. Cyprus is a Eurasian island in the eastern Mediterranean Sea. The Republic of Cyprus is a member of the European Union since May 1st 2004 and has adopted the Euro as its national currency since January 2008. The population residing within the geographical boundaries controlled by the Republic of Cyprus amounts is estimated at 796,9 thousands at the end of 2008 according to the latest official population census of 2008 (Cyprus Statistics Department, 2009). According to the latest IMF estimates, its per capita GDP (adjusted for purchasing power) is, at $46,865, the third highest in the European Union. The researchers come from the

School of Business at a private University and a private company in the ICT sector with experience in designing and implementing applications for the services sector at large and more specifically in banking. The main motivation for this research is the alignment of academic interests with a concern voiced by the business community over colloquial fora; this need has also been formally verified through the conducted focus group.

To identify users' requirements for the proposed search system, a group-focus discussion among potential users from the sales & marketing of the Mercedes – Benz Cyprus has been conducted in the first trimester of 2009. First, a draft version of the framework was pilot-tested among 8 representatives of the hosted organisation. Minor problems were identified and addressed in the finalized version of the framework. This study has focused on the design aspects that facilitate and support monitoring and control of performance issues in organisations. Through the focus - group, four major clusters of activities have been identified as major contributing factors to improved performance in the service sector. These include activities related to management of personnel (often geographically dispersed and working in different time intervals), managing customers (help desk, services, maintenance etc) perspective customers (consistent and concise communication) and managing the financial flows.

Based on feedback received, the Quality Management System, a model for product and service development support was proposed. Figure 4 outlines the model that includes performance indicators that identify, measure, control, and improve several core business processes throughout the entire organisation. It consists of several integrated modules that address the identified aspects of quality management. These modules are interconnected and share a single data repository to enable users have efficient and consistent data access as well as data visibility across business functional units.

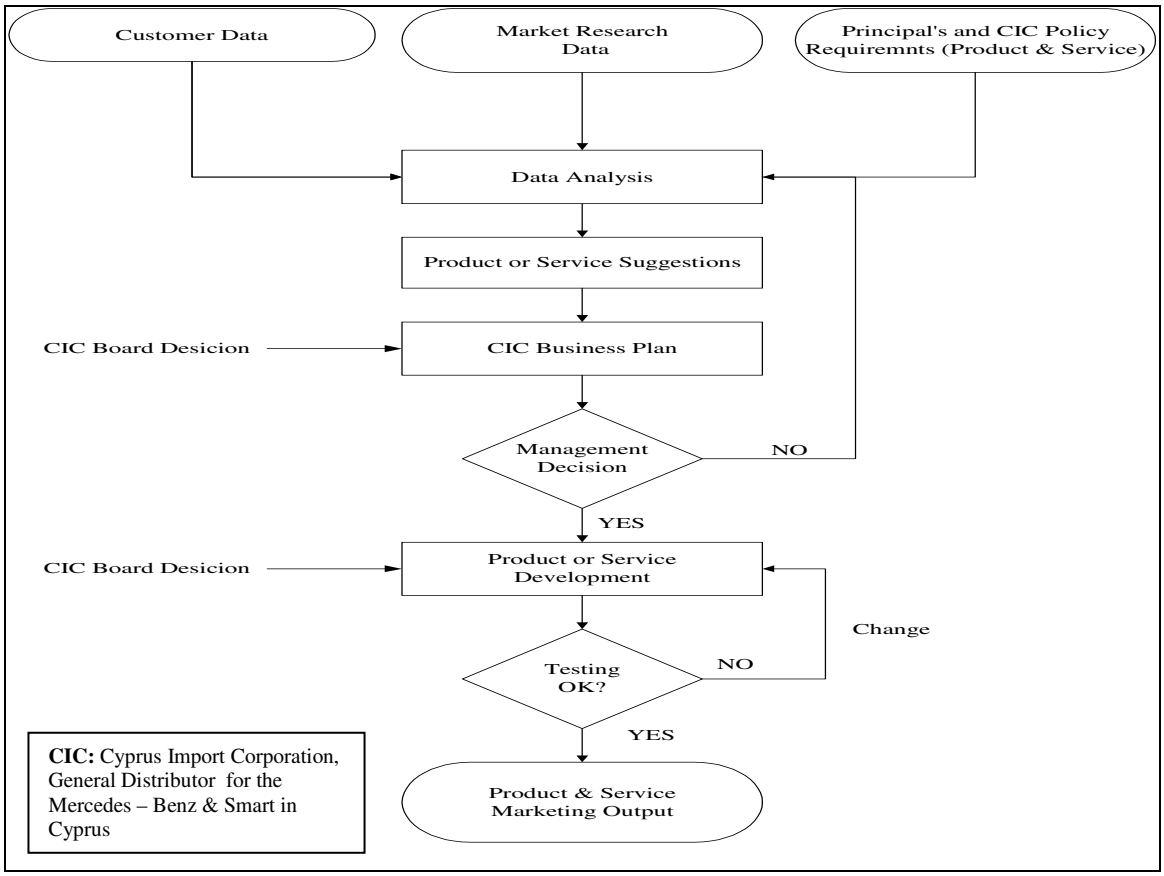

Figure 3: Print screen of the Quality Management system for the sales & marketing department in Mercedes-Benz Cyprus.

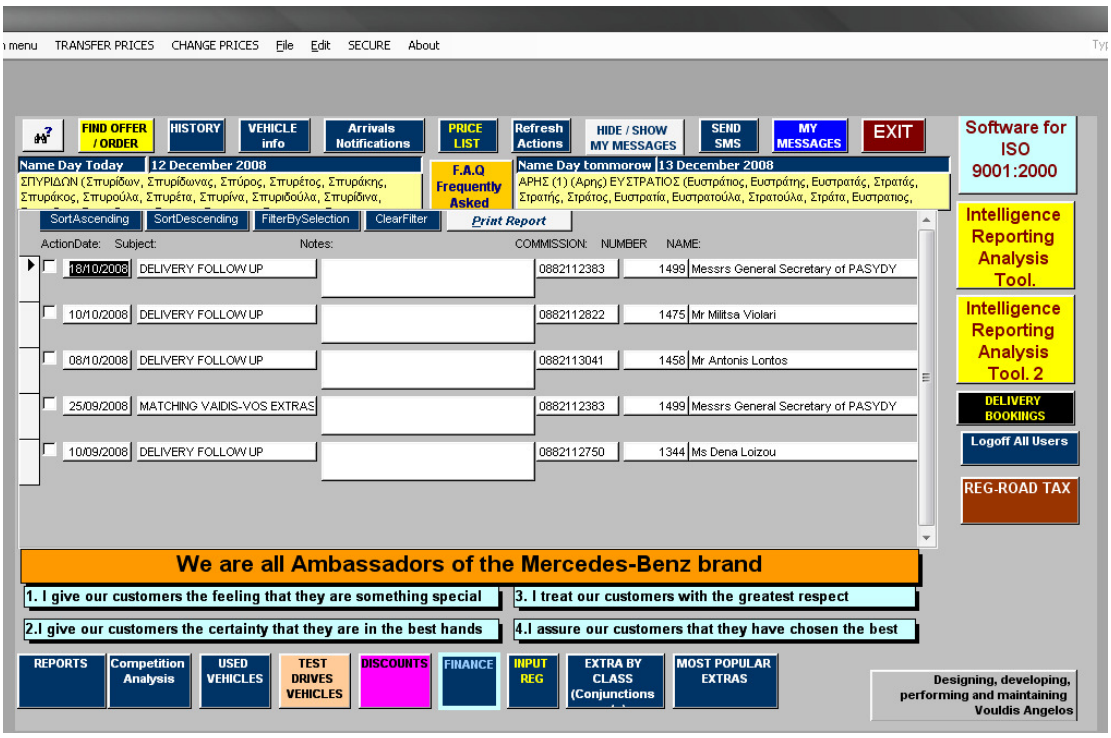

Figure 4: A System for Performance Monitoring and Control for Extended Products

The system includes integrated modules that include the following:

1. Home, where the user manages the administrative tasks of the systems, including changing Passwords, Login accounts, information about the location of colleagues, pending tasks, setting an appointment with a customer, setting a reminder, making a call to a customer.
2. Calls Management, where the user keeps track of different means of communication with customers and their outcomes.
3. Personnel, where data that is relevant to employees are kept, including personal data, salary details, leaves, reference files, employee training, bonuses etc.
5. Prospected Customers: this module manages and keeps track of information related to the prospected (future) customers of the organisation.
6. Requests/Pending handles customer pending requests and employee tasks within the organisation.
7. Maintenance manages and keeps track of all processes supporting maintenance activities requested by customers.
9. Services: the various types of services offered to the customers; details are kept for the services offered and the charges made.
10. The reporting tool concentrates data from different resources within the company and with a data mining procedure prepares a final new database cube which gives the opportunity to show reports in different dimensions. Before this tool was available, about two working days were needed to prepare the monthly reports but now after the implementation of the Intelligence Reporting Analysis Tool it is possible to complete all the reports in 30 seconds!
11. Debtor Collecting System manages the pending financial issues monitoring information on partial payments, arrangements set and progress reports.
12. Communications monitors all different types of communications initiated or ongoing with customers and partners of the organisation.
13. Back Office, where configuration of processes and interactions are described and
14. General Settings that includes other useful administrative details.

The home module of the system is shown in Figure 4 and a full demonstration of the system will be provided during presentation.

4. CONCLUSIVE REMARKS

This paper reports on a case study that outlines design and implementation issues of a system that supports performance issues and controlling extended products, namely luxurious cars a set of services that aim to improve customer satisfaction. Towards this aim, three objectives were fulfilled: to review existing theory on the subject of designing and developing applications and interfaces in enterprises; to identify the target users' requirements for the design and development of such applications; and to combine primary and secondary research results towards design and development of a quality management system. The value of the research relates primarily to its knowledge contribution to the wider field of designing and developing applications and interfaces for enterprises retailing extended products.

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